Global ETC over SWIFT

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The SWIFT Electronic Trade Confirmation global multi-asset solution

Market Practice and Implementation Guide

Cash Equity, Fixed Income and Repo

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Changes to previous version			
V1.53 November 2013	ISSUED	• CLARIFICATION In section X - confirmation only and contract models, new sub-section G, explain that a minimum of one occurrence of the linkage sub-sequence, and thus a reference, is mandated in the MT 515 in ISO 15022. If an allocation reference or other reference is not available, it is recommended a reference is supplied as 20C::RELA//NONREF. • ADDITION of section XIII REPO Confirmation. Note that this section has no impact on the existing implementation.	
V1.52 June 2013	ISSUED	PLEASE NOTE THAT THE CHANGES FOR v1.52 ARE CLARIFICATIONS ONLY • Clarify that Block Advice MT 513 is mandatory in the 'block allocation' model. Amendments to: Introduction section I.D Section V.C Business data requirements for Allocate the Order MT 514, Executing Party's Block Reference now mandatory. Market Practice and Implementation sections separated: • Amend title of section X • Also amend the title of the document, and • Locate all the market practice information together, moving the section on 'Treatment of Optional Fields and Message Flows and Specific Markets' and 'Confirmation Only and Contract Models' to follow the ISO 15022 Illustrations	

| | | 'Specific Markets' becomes a separate section Add a note on the structure of the document to the introduction I.D Purpose and Scope. Further clarifications:
In what is now XI.A1 regarding Fund Identification in the German market, add a note that "*This market practice must be followed by all investment managers based in Germany*" In section VII ISO 15022 Business Data Requirements add a note to Standing Settlement Instructions "*Note that the principles of settlement chain structure apply to both broker and investment manager.*" In section IX ISO 15022 Illustrations following the MT 515 add settlement details showing the settlement chain format where a broker uses an agent and also self-clears using a BIC for identification. | |

I. Introduction

A. Global ETC over SWIFT - Business Context

Effectively managing cost and risk in the cash equity and fixed income trade allocation and confirmation process

ETC over SWIFT has been well established in many markets for more than 20 years. Increasingly, investment managers and broker/dealers in several markets are now using SWIFT messages and related translation services to automate the block trade allocation and confirmation processes. Importantly SWIFT's Global Electronic Trade Confirmation (GETC) solution enables both a local matching as well as a central matching model.

While 50 per cent of cash equity and fixed income trades have been confirmed electronically for nearly 20 years, the multiple quasi-STP channels being used can make this business process costly and weak in terms of best practice operational efficiency and scalability.

Even more critical in today's environment, the pressure to have compliant operational risk controls in place means you need to demonstrate robust and transparent operational practices globally. SWIFT's GETC solution is particularly relevant if:

- You are using email, fax or leased lines, and need to enhance your operating model
- You want to be compliant with forthcoming regulation (such as CSD Regulation) which will require all trades to be confirmed
- You wish to maintain your own local matching business model rather than make the increased platform investment to move to a central matching model

As both broker/dealers and investment management firms grapple with increased regulatory spend just to maintain 'normal' operational processing, SWIFT (a not for profit, industry owned utility) offers you the opportunity to maintain high levels of STP - and even increase them - through either re-using your existing SWIFT ISO infrastructure or using our simple, secure cloud-based connectivity and optional translation hub.

B. How does Global ETC over SWIFT work?

Using the well-established, well-understood ISO 15022 messages for ETC enables institutions to standardise this process globally. They can achieve greater end-to-end automation and reduce exceptions. The scope for misinterpretation of key information is minimized; which translates directly into fewer queries, lower costs and fewer settlement problems downstream.

SWIFT is reliable and secure, with a strong background in supporting mission-critical applications. SWIFT also enables global reach. The SWIFT community includes more than 10,000 investment managers and brokers, investment banks, custodians, outsourcers, prime brokers, CSDs, ICSDs and commercial banks in 210 countries.

ETC over SWIFT is also highly cost-effective. The average cost of sending a message on SWIFT has been reduced materially as the popularity and reach of the service has risen, as you'd expect from a not-for-profit co-operative.

There are SWIFT messages covering each step of the familiar, proven flow of the block trade/allocation/confirmation/affirmation process. In order to perform ETC over SWIFT, you simply need to map your existing message flows to the ISO 15022 formats, connect them to your SWIFT gateway and agree a rollout schedule with your counterparties. SWIFT can help you to get up and running with minimal delay and this document guides you through the implementation process.

C. <u>Global ETC over SWIFT – Key Benefits</u>

- Cost avoidance:
  - Maps to existing workflow – minimal impact on your existing STP system
  - Full ISO standards throughout the STP chain
  - Reduces failed trades, eliminating unnecessary costs

- Resilience:
  - Reduces failed trades, eliminating unnecessary costs

- Certainty:
  - Message non-repudiation and legal recognition

- Reach:
  - Global counterparty coverage

- Reduced operating costs:
  - Lower operating costs than alternative methods

D. <u>Global ETC over SWIFT - Purpose and Scope</u>

This document specifies the market practice rules that have been agreed by users of the Global Electronic Trade Confirmation (GETC) over SWIFT. It is written for those people who are involved in the development and implementation of the processes and software programs which will generate and respond to these messages.

The document covers three scenarios:

1. GETC Block Allocation model, where the investment manager receives a block advice from the broker, then allocates the block, receives a confirmation for each allocation and affirms each confirmation; this functionality is covered in the main body of the document;

2. GETC Confirmation model, where the investment manager receives block information and allocates by other means, and receives GETC confirmations from the broker, covered at the end of the market practice in section X;

3. GETC Contract Only model, where the investment manager does not receive a block advice and does not allocate an order, but receives GETC confirmations from the broker directly after ordering, the so-called 'contract-only' investment manager scenario, also covered at the end of the market practice in section X.

If either party disagrees with the GETC message received they may reject the message using a status message, with the exception of the affirmation.

The intended audience of this document will already have familiarity with ISO15022 messages over SWIFTNet FIN, in firms which are already receiving and generating ISO15022 messages as part of normal business as usual. Accordingly, this guide is focused exclusively on rules for construction and interpretation of ISO15022 field formats and semantic content rules for each of the messages involved in the ETC process.

The document consists of market practice information in sections II to XII followed by implementation information in sections XIII and XIV. The implementation section covers in detail how exceptions are to be managed, including rejections, cancellations and overdue items. Section XIV provides details of changes to previous versions of the document.

Note that whilst this guide specifies the requirements for GETC over SWIFT, it is recognized that some pairs of participants will agree specific additional data flows or field rules bilaterally. Those firms who wish to respect the requirements specified in the guide only will still be regarded as fully compliant with the market practice as defined by and agreed by the GETC users.

This guide makes no reference to any specific software architecture or package; it is expected that participating firms and their software vendors or development teams will be able to translate the requirements into development specifications that apply to their individual cases.

The scope of this guide extends to automated message exchange only; where scenarios (such as cancellation and rejection) require some degree of offline interaction, that offline conversation is assumed.

SWIFT is interested to hear any comments or suggestions from recipients and users of this guide as to how its objectives might be better supported, possibly by computer-readable content. If you wish to join the discussion, or make any comment or suggestion, please email:

nigel.evans@swift.com or david.harrand@swift.com.

MARKET PRACTICE SECTIONS

II. Terminology: Actors and Roles

There are two roles involved in this process:

1. Trade Instructing party

   Party that instructs the executing party to process an order.

2. Trade Executing party

   Party that executes an order received from a trade instructing party.

The actors that play these roles are:

Trade Instructing Party	Trade Executing Party
Investment Manager (IM).	Executing Broker (EB)

III. Activities

Descriptions of the activities	
Trade Instructing Party	**Trade Executing Party**
A. Place the trade order: **out of scope**.	B. Advise that the order (block) has been executed: inform the instructing party of the key economic details of an executed block trade.
C. Allocate the order: inform the executing party of the individual breakdown of the block for settlement.	
	D. Confirm the allocation: confirm the allocation details from the instructing party, add the breakdown of the settlement amount and the executing party's settlement details.
E. Affirm the confirmation: inform the executing party that the confirmation details are acceptable; the allocation may now be instructed for settlement.	
F. Reject or give the status of a received message: the instructing party may reject or give the status of a message received from the executing party.	G. Reject or give the status of a received message: the executing party may reject or give the status of a message received from the instructing party.

IV. Logical Sequence Diagram

The illustration below shows the logical business flows in the scope of the Electronic Trade Confirmation process.

Trade Instructing Party

Trade Executing Party

| Advise Execution of the Block Order |
| Instruct an Allocation |
| Confirm the Allocation |
| Affirm the Confirmation |
| Status (including Rejection) |

V. Business data requirements:

For the business flows described above, the following business data elements are required.

A. Place of Trade:

The place of trade does not form part of the core data set as there is no requirement from the buy-side for it to be supplied by the sell-side.

B. Advise that the order (block) has been executed:

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Message Reference		M
Function of Message	Must be a new message or a cancellation	M
Duplicate Message	Use restricted to a new message	C
Executing Party's Block Reference	Generated by the broker	M
Instructing Party's Order Reference	Generated by the investment manager	O
Reference of message sent earlier	Must be used when sending a cancellation or duplicate message	C
Trade Date	ISO 8601 Date/Time	M
Settlement Date	ISO 8601 Date/Time	M
Deal Price and Currency	ISO 4217 Currency Code and price	M
Days Accrued	Conditional, supply for fixed income trades	C
Direction of Trade	Buy or Sell relative to the instructing party	M
Payment Indicator	Free or Against Payment	M
Buying Party	ISO 9362 Bank Identifier Codes [BIC]	M
Selling Party	ISO 9362 Bank Identifier Codes [BIC]	M
Quantity of Financial Instrument Advised	Expressed as units for equity, face amount for fixed income, or amortised value for instruments where a factor is used	M
Financial Instrument	ISO 6166 International Securities Identification Number [ISIN], Other numbering schemes may be used.	M
Place of Listing	ISO 10383 Market Identifier Code, May be supplied for multi-listed securities	O
Rejection Disagreement Narrative	Use restricted to a duplicate message	O
Accrued Interest	Conditional, supply for fixed income	C
Block Commission	Conditional, supply for equities	C

C. Allocate the order:

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Message Reference		M
Function of Message	Must be a new message or a cancellation	M
Duplicate Message	Use restricted to a new message	C
Executing Party's Block Reference	Generated by the broker	M
Instructing Party's Order Reference	Generated by the investment manager	M

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Instructing Party's Allocation Reference	Generated by the investment manager, often the (technical) message reference of the allocation message is used	M
Reference of message sent earlier	Must be used when sending a cancellation or duplicate message	C
Trade Date	ISO 8601 Date/Time	M
Settlement Date	ISO 8601 Date/Time	M
Deal Price and Currency	ISO 4217 Currency Code and price	M
Settlement Currency	ISO 4217 Currency Code and zero amount, Supply for cross-currency trades	O
Direction of Trade	Buy or Sell relative to the instructing party	M
Payment Indicator	Free or Against Payment	M
Buying Party	ISO 9362 Bank Identifier Codes [BIC]	M
Selling Party	ISO 9362 Bank Identifier Codes [BIC]	M
Fund Identifier	Identity of the instructing party's client May be an account at a custodian, an Alert identifier, a BIC, or another form of identification	M
Quantity of Financial Instrument Allocated	Expressed as units for equity, face amount for fixed income, or amortised value for instruments where a factor is used	M
Total Quantity of the Block (Quantity of Financial Instrument Advised in the block advice)	Expressed as units for equity, Face amount for fixed income, Amortised value for instruments where a factor is used	M
Financial Instrument	ISO 6166 International Securities Identification Number [ISIN], Other numbering schemes may be used.	M
Place of Listing	ISO 10383 Market Identifier Code, May be supplied for multi-listed securities	O
Rejection Disagreement Narrative	Use restricted to a duplicate message	O
Standing Settlement Instructions:	**OPTIONAL**, investment manager's SSIs	O
Place of Settlement	ISO 9362 Bank Identifier Codes [BIC] taken from the list of PSET's BIC published on www.smpg.info. See also Place of Settlement MP. Mandatory if SSIs supplied.	C
Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] or CSD Local Code. Mandatory if SSIs supplied.	C
Client of Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] Optional if SSIs supplied.	O
Client's Safekeeping Account to be credited or debited at the Agent	Optional if Client of Receiving/Delivering Agent supplied.	O
Country specifics as per local market practice (if any)	Country specifics as per local market practice (if any)	O

D. **Confirm the allocation:**

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Message Reference		M
Function of Message	Must be a new message or a cancellation	M
Duplicate Message	Use restricted to a new message	C
Executing Party's Block Reference	Generated by the broker	O
Instructing Party's Order Reference	Generated by the investment manager	O
Instructing Party's Allocation Reference	Generated by the investment manager, often the (technical) message reference of the allocation message is used	M
Executing Party's Confirmation Reference	Generated by the broker, often the (technical) message reference of the confirmation message is used	M
Reference of message sent earlier	Must be used when sending a cancellation or duplicate message	C
Trade Date	ISO 8601 Date/Time	M
Settlement Date	ISO 8601 Date/Time	M
Deal Price and Currency	ISO 4217 Currency Code and price	M
Days Accrued	Conditional, supply for fixed income trades	C
Direction of Trade	Buy or Sell relative to the instructing party	M
Payment Indicator	Free or Against Payment	M
Bargain Conditions	For example, the trade was executed ex-dividend	O
Buying Party	ISO 9362 Bank Identifier Codes [BIC]	M
Selling Party	ISO 9362 Bank Identifier Codes [BIC]	M
Broker's Trading Capacity	Indicates whether the broker is trading as agent or as principal	O
Fund Identifier	Identity of the instructing party's client May be an account at a custodian, an Alert identifier, a BIC, or another form of identification	M
Quantity of Financial Instrument Confirmed	Expressed as units for equity, face amount for fixed income, or amortised value for instruments where a factor is used	M
Financial Instrument	ISO 6166 International Securities Identification Number [ISIN], Other numbering schemes may be used.	M
Place of Listing	ISO 10383 Market Identifier Code, May be supplied for multi-listed securities	O
Rejection Disagreement Narrative	Use restricted to a duplicate message	O
Settlement Amount	ISO 4217 Currency Code and amount	M
Deal Amount	ISO 4217 Currency Code and amount	M
Break down of fees and charges	ISO 4217 Currency Code and amount Supply only those amounts which are non-zero. For example: broker's commission, fees, other fees, stamp duty	C
Accrued Interest	Conditional, supply for fixed income trades	C

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Standing Settlement Instructions: Broker	Broker's SSIs **MANDATORY**	M
Place of Settlement	ISO 9362 Bank Identifier Codes [BIC] taken from the list of PSET's BIC published on www.smpg.info. See also Place of Settlement MP.	M
Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] or CSD Local Code.	M
Client of Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] Optional if SSIs supplied.	O
Client's Safekeeping Account to be credited or debited at the Agent	Optional if Client of Receiving/Delivering Agent supplied.	O
Country specifics as per local market practice (if any)	Country specifics as per local market practice (if any)	O
Standing Settlement Instructions: Investment Manager	Investment manager's SSIs OPTIONAL	O
Place of Settlement	ISO 9362 Bank Identifier Codes [BIC] taken from the list of PSET's BIC published on www.smpg.info. See also Place of Settlement MP. Mandatory if SSIs supplied.	C
Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] or CSD Local Code. Mandatory if SSIs supplied.	C
Client of Receiving/Delivering Agent	ISO 9362 Bank Identifier Codes [BIC] Optional if SSIs supplied.	O
Client's Safekeeping Account to be credited or debited at the Agent	Optional if Client of Receiving/Delivering Agent supplied.	O
Country specifics as per local market practice (if any)	Country specifics as per local market practice (if any)	O

E. <u>Affirm the confirmation:</u>

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Message Reference		M
Function of Message	Must be a new message	M
Affirming Party	The investment manager	M
Message type of the referenced message	Value of '515'	M
Executing Party's Confirmation Reference	Generated by the broker, often the (technical) message reference of the confirmation message is used	M

F. <u>Reject or give the status of a received message:</u>

Business data elements	Additional information	Mandatory (M), Condition(C), Optional (O)
Message Reference		M
Function of Message	Must be a instruction status or a cancellation request status	M
Message type of the referenced message		O
Message Reference of the message for which the status is supplied		M
Status		M
Reason for the Status		O
Reason Narrative		O

VI. ISO 15022 Sequence Diagram

The illustration below shows the implementation of the business flows using ISO 15022 messages.

Trade Instructing Party
Investment Manager
IMANXX21

Trade Executing Party
Broker
BROKXX12

MT 513 Block Advice (Advice of Execution)

MT 514 Allocation

MT 515 Confirmation

MT 517 Affirmation

MT 509 Status

VII. ISO15022 Business data requirements:

For the business flows described above, the table below specifies the implementation of ISO 15022 business data elements required.

Note that the Standards Release Guide, Message Reference Guide: Volume 1 (MT 500- MT 518), otherwise known as the User Handbook (UHB) is the baseline source of message format information.

The table shows the implementation of the business data elements using ISO 15022 fields.

Business data elements	ISO 15022
Message Reference	:20C::SEME//16x
Function of Message – new message	:23G:NEWM
Function of Message – cancellation	:23G:CANC
Function of message – duplicate new message	:23G:NEWM/DUPL
Executing Party's Block Reference	:20C::COMM//16x
Instructing Party's Order Reference	:20C::TRRF//16x
Instructing Party's Allocation Reference	:20C::SEME//16x :20C::RELA//16x in the responding message
Executing Party's Confirmation Reference	:20C::SEME//16x :20C::RELA//16x in the responding message
Reference of message sent earlier	:20C::PREV//16x
Trade Date	:98A::TRAD//YYYYMMDD
Settlement Date	:98A::SETT//YYYYMMDD
Deal Price and Currency – equity	:90B::DEAL//ACTU/3!a15d
Deal Price – fixed income	:90A::DEAL//PRCT/15d
Settlement Currency	:19A::SETT//[N]3!a15d amount is zero
Days Accrued	:99A::DACC//[N]3!n
Direction of Trade – Buy	:22H::BUSE//BUYI
Direction of Trade – Sell	:22H::BUSE//SELL
Payment Indicator – Free	:22H::PAYM//FREE
Payment Indicator – Against Payment	:22H::PAYM//APMT
Bargain Conditions	:22F::TTCO//4!c see UHB for values
Buying Party	:95P::BUYR//4!a2!a2!c [BIC]
Selling Party	:95P::SELL//4!a2!a2!c [BIC]
Broker's Trading Capacity – Agent	:22F::TRCA//AGEN
Broker's Trading Capacity – Principal	:22F::TRCA//PRIN
Fund Identifier	:95Q::INVE//4*35x
Quantity of Financial Instrument – equity	:36B::4!c//UNIT/15d
Quantity of Financial Instrument – fixed income	:36B::4!c//FAMT/15d
Quantity of Financial Instrument – amortised security	:36B::4!c//AMOR/15d
Quantity of Financial Instrument Advised	:36B::ADVI//4!c/15d
Quantity of Financial Instrument Allocated	:36B::ALLO//4!c/15d
Total Quantity of the Block (Quantity of Financial Instrument Advised in the block advice)	:36B::TQBT//4!c/15d
Quantity of Financial Instrument Confirmed	:36B::CONF//4!c/15d
Financial Instrument	:35B:[ISIN1!e12!c] [4*35x]

Business data elements	ISO 15022	
Place of Listing	:94B::PLIS/[8c]/4!c[/30x]	[MIC]
Rejection Disagreement Narrative	:70E::TPRO//10*35x	
Settlement Amount	:19A::SETT//[N]3!a15d	
Deal Amount	:19A::DEAL//[N]3!a15d	
Accrued Interest	:19A::ACRU//[N]3!a15d	
Block Commission	:19A::EXEC//[N]3!a15d	
Fees and Charges	:19A::4!c//[N]3!a15d	
Affirming Party	:95P::AFFM//4!a2!a2!c	[BIC]
Standing Settlement Instructions:	Note that the principles of settlement chain structure apply to both broker and investment manager.	
Place of Settlement	:95P::PSET//4!a2!a2!c	[BIC]
Receiving/Delivering Agent	:95P::REAG//4!a2!a2!c or :95R::REAG/8c/34x :95P::DEAG//4!a2!a2!c or :95R::DEAG/8c/34x	
Client of Receiving/Delivering Agent	:95P::BUYR//4!a2!a2!c :95P::SELL//4!a2!a2!c * if more than two parties are provided, the client of the REAG/DEAG is the RECU/DECU. See Common Elements Market Practice and Standards for clarification.	
Client's Safekeeping Account at the Agent to be credited or debited	:97A::SAFE//35x	
Country specifics as per local market practice (if any)	See country Market Practice.	
Function of Message – instruction status	:23G:INST	
Function of Message – cancellation request status	:23G:CAST	
Message type of the referenced message	:13A::LINK//3!c	
Message Reference of the message for which the status is supplied	:20C::RELA//16x	
Instruction Status	:25D::IPRC//4!c	see MT 509 Rules and Illustrations for values
Cancellation Request Status	:25D::CPRC//4!c	see MT 509 Rules and Illustrations for values
Reason	:24B::4!c//4!c	see MT 509 Illustrations for values
Reason Narrative	:70D::REAS//6*35x	

VIII. Rules:

A. Rejection Rules

This section describes the implementation of rejection rules using ISO 15022 messages to give the status of an instruction as opposed to a cancellation request.

- A rejection status message for an instruction, MT 509 with 23G:INST and 25D::IPRC and 24B::REJT or 24B::NMAT, may be sent in response to a received: MT 513 block advice, an MT 514 allocation, and an MT 515 confirmation.
- Following rejection of an MT 513 block advice or MT 515 confirmation, the broker will cancel the original message before resending the message
- Following rejection of an MT 514 allocation the investment manager is not required to cancel the original message, however, they may do so.

B. Cancellation Rules

This section describes the implementation of cancellation rules using ISO 15022 messages.

An individual message may be cancelled and then resent (as function of message CANC and NEWM respectively) in case of a technical error in the formatting of the message or change to the business content of the message. Only the sender of the original message may send a cancellation of that message.

The following describes the cancellation process to be used if:

- the investment manager or broker has an issue at allocation or confirmation level
- the investment manager or broker has an issue at block level.

Note that an MT 517 affirmation may not be cancelled.

B1)   Allocation or Confirmation Level Cancellation

- The MT 514 allocation and MT 515 confirmation messages may be cancelled if amendment is required for any fields that are **not at block level** which do not create a discrepancy against the existing MT 513, for example fund identifier, commission, fees, taxes, SSI information.

- An MT 514 cancellation may be sent irrespective of whether an MT 515 confirmation has been received, or MT 517 affirmation or MT 509 reject has been sent.

- An MT 515 cancellation may be sent irrespective of whether an MT 517 affirmation or MT 509 reject has been received.

B2)   Block Level Cancellation 1 – Initiated by the Broker

- Should a block advice require cancellation or amendment at any stage in the flow the broker will send an MT 513 cancellation irrespective of whether an MT 517 affirmation or MT 509 reject has been received. The MT 513 'amendments' will be implemented in the form of cancel and new messages. This prevents potential discrepancies from occurring as a result timing issues or open MT 513s.

- If MT 514 allocations have been received by the broker and MT 515 confirmations sent, MT 515 cancellations will automatically be sent on cancellation of the MT 513 irrespective of whether MT 517 affirmations or MT 509 rejects have been received for the MT 515s.

- There is no requirement for the investment manager to cancel any MT 514 allocations already sent for this block, however, they may do so, for example, in order to manage their allocation queue.

- The replacement MT 513 will contain a new block reference and as such will revert to the start of the flow requiring the investment manager to send a new set of MT514 allocations and new MT517 affirm or MT 509 reject of the subsequent MT 515 confirmations.

On receipt of an MT 513 cancellation the IM must accept or reject the cancellation request by one of the methods described below.

B3)   Block Level Cancellation 2 – Initiated by the Investment Manager

- In order to request a cancellation of the block advice, an IM will request a block cancel from the broker offline:
  o if the broker accepts that the block advice is incorrect, the process is as follows:
    ▪ the broker will initiate the cancellation by sending a cancellation MT513 and
    ▪ the broker will cancel any MT 515s already sent for the block
    ▪ the investment manager may send a cancellation MT 514 for each allocation
    ▪ the broker will send an MT 513 correcting the discrepancy
  o Otherwise, the broker and investment manager agree that the original block is correct:
    ▪ the IM will allocate the original block.

B4)   Cancellation Request – Acceptance or Rejection

Acceptance

- Take no action and await the replacement message, a cancellation is assumed to be good unless it is rejected;
- Or send a cancellation request status message MT 509 accepting the cancellation;

Rejection

- Contact the sender off-line and agree how the trade is to be handled
- Or send a cancellation request status message MT 509 rejecting the cancellation, and agree how the trade is to be handled off-line;

B5)   Cancellation Request Acceptance or Rejection – Rules for MT 509 Usage

- The cancellation request status MT 509 may be sent in response to any cancellation request, that is:
  o by an investment manager to a broker in response to an MT 513 CANC (**mandatory**) or an MT 515 CANC (**optional**)
  o by a broker to an investment manager in response MT 514 CANC (**optional**).

  The function of message is 23G:CAST.

  The status is 25D::CPRC//PACK for acceptance.

  The status is 25D::CPRC//REJT for rejection.

  The reject reason may be supplied by 24B::REJT// and the appropriate code.

  The Cancellation Request Status – Rejection indicates that the electronic version of this trade has reached an unrecoverable position, and that it will be progressed offline.

C. **Allocation Rules**

This section describes the implementation of allocation rules using ISO 15022 messages.

- The investment manager will send MT 514 allocation messages to the broker as far as possible all at once, when a complete set is ready to send for the order.

D. **Optional Block Status Acceptance**

- The block match status MT 509 may be sent by the IM to indicate that they have accepted matched the block and will send allocations in due course.

- The block match status MT 509 is **optional**.
  The function of message is 23G:INST
  The status is 25D::MTCH//MACH

E. <u>Optional Rejection Disagreement</u>

The use of a duplicate message to indicate that the sender disagrees with a previously received rejection is **optional**

The message is formatted in the same way as the original, with the exception that:

- The function of message field includes the sub-function DUPL, as 23G:NEWM/DUPL
- The linkage sub-sequence contains a reference to the original message in field 20C::PREV
- The reason for the disagreement may optionally be given in the trade instruction processing narrative field 70E::TPRO

IX. ISO 15022 Illustrations

The illustrations are for each message and rule.

A. **Advise that the order (block) has been executed, MT 513:**

Broker BROKXX12 sends a block advice to the investment manager IMANXX21.

BROKXX12 MT 513 to IMANXX21	
:16R:GENL	
:20C::SEME//GHIJKL0987654322	**Message reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing party's order reference**
:16S:LINK	
:16S:GENL	
:16R:ORDRDET	
:98A::TRAD//20110205	**Trade date**
:98A::SETT//20110208	**Settlement date**
:90A::DEAL//PRCT/20,50	**Deal Price and Currency –** *fixed income*
:99A::DAAC//010	**Days Accrued – fixed income**
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against Payment**
:16R:CONFPRTY	
:95P::BUYR//IMANXX21	**Buying Party**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::SELL//BROKXX12	**Selling Party**
:16S:CONFPRTY	
:36B::ADVI//FAMT/10000,	**Quantity of Financial Instrument Advised –** *fixed income*
:35B:ISIN ZZ0000294034	**Financial Instrument**
:16R:FIA	
:94B::PLIS//EXCH/XLON	**Place of Listing**
:16S:FIA	
:16S:ORDRDET	
:16R:SETDET	
:22F::SETR//TRAD	*Settlement Transaction Type*
:16R:AMT	
:19A::ACRU//EUR1000,	**Accrued Interest – *fixed income***
:16S:AMT	
:16S:SETDET	

B. **Allocate the order, MT 514:**

Investment manager IMANXX21 sends an allocation to the broker BROKXX12.

IMANXX21 MT 514 to BROKXX12	
:16R:GENL	
:20C::SEME//ABCDEF1234567891	**Message reference** **Instructing party's allocation** **reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing party's order reference**
:16S:LINK	
:16R:LINK	
:20C::RELA//GHIJKL0987654322	**Message reference of MT 513**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20110205	**Trade date**
:98A::SETT//20110208	**Settlement date**
:90B::DEAL//ACTU/EUR83,5416	**Deal Price and Currency –** *equity*
:19A::SETT//USD0,	**Settlement Currency**
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against** **Payment**
:16R:CONFPRTY	
:95P::BUYR//IMANXX21	**Buying Party**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95Q::INVE//PORTFOLIO ID	**Fund Identifier**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::SELL//BROKXX12	**Selling Party**
:16S:CONFPRTY	
:36B::ALLO//UNIT/20570,	**Quantity of Financial Instrument** **Allocated –** equity
:36B::TQBT//UNIT/100000,	**Total Quantity of the Block**
:35B:ISIN YY0000294034	**Financial Instrument**
:16R:FIA	
:94B::PLIS//EXCH/XLON	**Place of Listing**
:16S:FIA	
:16S:CONFDET	
:16R:SETDET	
:22F::SETR//TRAD	*Settlement Transaction Type*
:16R:SETPRTY	
:95P::BUYR//IMANXX21	**Client of the receiving agent**
:97A::SAFE//123-45687	**Client's safekeeping account at the** **agent to be credited**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//SUBCYY34	**Receiving agent**

`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::PSET//NCSDXX21`	**Place of settlement**
`:16S:SETPRTY`	
`:16S:SETDET`	

Settlement details where investment manager uses a global and sub-custodian

`:16R:SETPRTY`	
`:95P::BUYR//IMANXX21`	**Client of the receiving agent**
`:97A::SAFE//123-45687`	**Client's safekeeping account at the custodian to be credited**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::RECU//GLOBXX45`	**Receiving custodian**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::REAG//SUBCYY34`	**Receiving agent**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::PSET//NCSDXX21`	**Place of settlement**
`:16S:SETPRTY`	

C. <u>Confirm the allocation, MT 515:</u>

Broker BROKXX12 sends a confirmation to the Investment manager IMANXX21.

BROKXX12 515 to IMANXX21MT	
`:16R:GENL`	
`:20C::SEME//GHIJKL0987654400`	**Message reference** **Executing party's confirmation reference**
`:23G:NEWM`	**New Message**
`:22F::TRTR//TRAD`	*Trade Transaction Type*
`:16R:LINK`	
`:20C::COMM//BLK-CONF-001`	**Executing party's block reference**
`:16S:LINK`	
`:16R:LINK`	
`:20C::TRRF//80117146007002`	**Instructing party's order reference**
`:16S:LINK`	
`:16R:LINK`	
`:20C::RELA//ABCDEF1234567891`	**Message reference of MT 514** **Instructing party's allocation reference**
`:16S:LINK`	
`:16S:GENL`	
`:16R:CONFDET`	
`:98A::TRAD//20110205`	**Trade date**
`:98A::SETT//20110208`	**Settlement date**
`:90B::DEAL//ACTU/EUR83,5416`	**Deal Price and Currency – equity**
`:22H::BUSE//BUYI`	**Direction of Trade – Buy**
`:22H::PAYM//APMT`	**Payment Indicator – Against Payment**

`:22F::TTCO//XDIV`	**Bargain Condition – ex dividend**
`:16R:CONFPRTY`	
`:95P::BUYR//IMANXX21`	**Buying Party**
`:16S:CONFPRTY`	
`:16R:CONFPRTY`	
`:95Q::INVE//PORTFOLIO ID`	**Fund Identifier**
`:16S:CONFPRTY`	
`:16R:CONFPRTY`	
`:95P::SELL//BROKXX12`	**Selling Party**
`:22F::TRCA//PRIN`	**Broker's trading Capacity – Principal**
`:16S:CONFPRTY`	
`:36B::CONF//UNIT/20570,`	**Quantity of Financial Instrument Confirmed – equity**
`:35B:ISIN YY0000294034`	**Financial Instrument**
`:16R:FIA`	
`:94B::PLIS//EXCH/XLON`	**Place of Listing**
`:16S:FIA`	
`:16S:CONFDET`	
`:16R:SETDET`	
`:22F::SETR//TRAD`	*Settlement Transaction Type*
`:16R:SETPRTY`	
`:95P::BUYR//IMANXX21`	**Client of the receiving agent**
`:97A::SAFE//123-45687`	**Client's safekeeping account at the agent to be credited**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::REAG//SUBCYY34`	**Receiving agent**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::PSET//NCSDXX21`	**Place of settlement**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95R::DEAG/NCSD/93457`	**Delivering agent – broker self clears with proprietary identifier at the CSD**
`:16S:SETPRTY`	
`:16R:AMT`	
`:19A::SETT//USD1718650,71`	**Settlement Amount**
`:16S:AMT`	
`:16R:AMT`	
`:19A::DEAL//USD1718450,71`	**Deal Amount**
`:16S:AMT`	
`:16R:AMT`	
`:19A::CHAR//USD200,`	**Charges/Fees**
`:16S:AMT`	
`:16S:SETDET`	

Settlement details where the broker self-clears and uses a BIC as identification

:16R:SETPRTY	
:95P::DEAG//BROKXX12	**Delivering agent – broker self clears with BIC identifier at the CSD**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//NCSDXX21	**Place of settlement**
:16S:SETPRTY	

Settlement details where the broker uses an agent

:16R:SETPRTY	
:95P::SELL//BROKXX12	**Client of the delivering agent**
:97A::SAFE//46802-753	**Client's safekeeping account at the agent to be debited**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//AGNTYY62	**Delivering agent**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//NCSDXX21	**Place of settlement**
:16S:SETPRTY	

C1)   Amount fields in the MT 515 Confirmation

The MT 515 contains a number of amount fields which may be used in the breakdown of Deal Amount to Settlement Amount, which must be present when they are non zero. Those below have been identified as relevant in the ISITC Europe TIC (Trade Initiation and confirmation) market practice document of June 2000 and the German TIC market practice of April 2004.

ACRU Accrued Interest Amount – Amount of interest that has been accrued in between coupon payment periods.

CHAR Charges/Fees – Amount of money paid for the provision of financial services that cannot be categorised by another qualifier.

DEAL Trade Amount – Principal amount of a trade (price multiplied by quantity).

EXEC Executing Broker's Commission – Amount of money paid to an executing broker as a commission.

LOCO Local Broker's Commission – Amount of commission paid to a local broker. Used in DE.

OTHR Other Amount – Amount of money that cannot be categorised.

USE OF THE OTHR QUALIFIER IS NOT RECOMMENDED

REGF Regulatory Fees – Amount of money charged by a regulatory authority, for example, Securities and Exchange fees. Used in US.

SETT Settlement Amount Total amount of money to be paid or received in exchange for the financial instrument.

STAM Stamp Duty – Amount of stamp duty. Used in GB, IE and HK

STEX Stock Exchange Tax – Amount of stock exchange tax. Used in CH.

WITH Withholding Tax – Amount of money that will be withheld by a tax authority.

D. Affirm the confirmation, MT 517:

Investment manager IMANXX21 sends an affirmation to the broker BROKXX12.

IMANXX21 MT 517 to BROKXX12	
:16R:GENL	
:20C::SEME//BCDEFA1123456789	**Message reference**
:23G:NEWM	**New Message**
:95P::AFFM//IMANXX21	**Affirming Party**
:16R:LINK	
:13A::LINK//515	*Message type of the referenced message*
:20C::RELA//GHIJKL0987654400	**Message reference of MT 515** **Executing party's confirmation reference**
:16S:LINK	
:16R:LINK	
:20C::PREV//ABCDEF1234567891	**Message reference of MT 514** **Instructing party's allocation reference**
:16S:LINK	
:16S:GENL	

E. <u>Reject or give the status of a received message, MT 509:</u>

In this illustration the investment manager IMANXX21 sends a matching status message to the broker BROKXX12 regarding the brokers' MT 515 confirmation message.

IMANXX21 MT 509 to BROKXX12	
:16R:GENL	
:20C::SEME//BCDEFA1123456845	**Message reference**
:23G:INST	**An instruction status**
:16R:LINK	
:13A::LINK//515	Message type of the referenced message following in the next field
:20C::RELA//GHIJKL0987654400	**Message reference of MT 515 Executing party's confirmation message**
:16S:LINK	
:16R:STAT	
:25D::IPRC//REJT	**Status – rejected**
:16R:REAS	
:24B::REJT//DDEA	**Reason – deal price**
:16S:REAS	
:16S:STAT	
:16S:GENL	

E1)   <u>Message Cross-referencing and Status Qualifier and Code Values</u>

The MT 509 must cross reference to the message whose status is being provided; this is achieved by supplying the message type, for example '514' and its sender's message reference 'SEME'. The status is typically accompanied by a reason, for example 'do not agree settlement amount' and an optional narrative field to give details of the disagreed values and contact details if required.

The status field will indicate rejection **25D::IPRC//REJT** or non-matching **25D::MTCH//NMAT.**

Further details of the Reject or Non-Matching Reason may be supplied in the narrative field: **70D::REAS//**

E2)   <u>Reason Qualifiers and Codes</u>

Reason codes are available for Rejection and Unmatched statuses.

The reason codes are in most cases the same, however, there are more available for rejection.

The rejection status is used where possible, the unmatched status is used where there is not a suitable rejection reason code available.

The reason syntax for rejection is :**24B::REJT//XXXX** and for unmatched is :**24B::NMAT//XXXX**.

The table below gives the REJT and NMAT codes that apply to Global ETC:

Field or Reason	NMAT code	REJT code	Description
Trade Date		DTRD	Unrecognised or invalid trade date
Settlement Date		DDAT	Unrecognised or invalid settlement date, that is, date is not a settlement date for the instructed market, or settlement date is too old
Deal Price + Currency		DDEA	Unrecognised or invalid deal price
Deal Amount	DEAL	Not available	Deal amount does not match
Settlement Amount		DMON	Unrecognised or invalid settlement amount
Settlement Currency		NCRR	Unrecognised or invalid settlement amount currency
Breakdown of fees and commission		FEEE + narrative	Unrecognised or invalid fee or commission.
Block Commission		FEEE + narrative	Unrecognised or invalid fee or commission.
Breakdown of charges	CHAR +narrative	Not available	Charges amount does not match
Buy or Sell indicator	DELN	Not available	Direction of the trade does not match. Counterparty expects a delivery from you, not a receipt or vice versa.
Investor		Use GETC/INVE	Use data source scheme of GETC. Sent when the broker does not recognize the investor. This code is **not** used where the broker recognizes the client, however, they have yet to set up the static data.
Quantity Advised		DQUA	Unrecognised or invalid settlement quantity
Allocated Quantity		DQUA	Unrecognised or invalid settlement quantity
Total Block Quantity		DQUA + narrative	Unrecognised or invalid settlement quantity
Confirmed Quantity		DQUA	Unrecognised or invalid settlement quantity
Security Identifier		DSEC	Unrecognised or invalid financial instrument identification, that is, invalid ISIN, or security not eligible at the instructed market
Place of Listing		DSEC	Unrecognised or invalid financial instrument identification, that is, invalid ISIN, or security not eligible at the instructed market
IM's SSIs		ICAG or ICUS or IEXE	Unrecognised or invalid receiving or delivering agent. Unrecognised or invalid receiving or delivering custodian. Unrecognised or invalid buyer or seller.
Broker's SSIs		ICAG or ICUS or IEXE	Unrecognised or invalid receiving or delivering agent. Unrecognised or invalid receiving or delivering custodian. Unrecognised or invalid buyer or seller.
PSET		DEPT	Unrecognised or invalid Place of Settlement.
Matching Instruction Not Found	CMIS	Not available	No potential match has been found
Matching Instruction Cancelled	MCAN	Not available	The corresponding matching record has been cancelled

F. Cancellation Request – Generic: MT 513/4/5

In this illustration the sender cancels a message sent previously, function of message field 23G is now cancellation, in addition the message reference of the message to be cancelled must be included.

Note that the remainder of the cancellation MT 513/4/5 is formatted in the same way as the original, including all the other references in the LINK subsequence

The illustration covers the general information sequence, GENL, only.

MT 513 Cancellation	
:16R:GENL	
:20C::SEME//BCDEFA1123456845	**Message reference**
:23G:CANC	**Cancellation Message**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//BCDEFA1123456840	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::4!c//16x	**Message reference included in the original, for example COMM or TRRF or RELA**
:16S:LINK	
:16S:GENL	

Note that the remainder of the cancellation message is formatted in the same way as the original

G. Cancellation Request Status MT 509

In this illustration the investment manager IMANXX21 sends a cancellation request status message to the broker BROKXX12 rejecting the broker's request to cancel an MT 513 block advice message.

IMANXX21 MT 509 to BROKXX12	
:16R:GENL	
:20C::SEME//BCDEFA1123456846	**Message reference**
:23G:CAST	**A cancellation request status**
:16R:LINK	
:13A::LINK//513	Message type of the referenced message following in the next field
:20C::RELA//BCDEFA1123456845	**Message reference of MT 513 cancellation request**
:16S:LINK	
:16R:STAT	
:25D::CPRC//REJT	**Status – rejected**
:16R:REAS	
:24B::REJT//4!c	**Reason code**
:16S:REAS	
:16S:STAT	
:16S:GENL	

In this illustration the investment manager IMANXX21 sends a cancellation request status message to the broker BROKXX12 accepting the broker's request to cancel an MT 513 block advice message.

```
IMANXX21 MT 509 to BROKXX12
:16R:GENL
:20C::SEME//BCDEFA1123456847
:23G:CAST
:16R:LINK
:13A::LINK//513

:20C::RELA//GHIJKL0987654401

:16S:LINK
:16R:STAT
:25D::CPRC//PACK
:16S:STAT
:16S:GENL
```

Message reference

A cancellation request status

Message type of the referenced
message following in the next field
**Message reference of MT 513
cancellation request**

Status – accepted

H. Block Status Acceptance, MT 509

In this illustration the investment manager IMANXX21 sends a matching status message to the broker BROKXX12 regarding the brokers' MT 513 block advice message.

```
BROKXX12 MT 509 to IMANXX21
:16R:GENL
:20C::SEME//BCDEFA1123456848
:23G:INST
:16R:LINK
:13A::LINK//513

:20C::RELA//GHIJKL0987654410


:16S:LINK
:16R:STAT
:25D::MTCH//MACH
:16S:STAT
:16S:GENL
```

Message reference

An instruction status

**Message type of the referenced
message following**
**Message reference of MT 515
Executing party's confirmation
reference**

Status – block matched

I. Rejection Disagreement – Duplicate Message

In this illustration the broker BROKXX12 sends a duplicate MT 515 message to the investment manager IMANXX21 indicating that the broker disagrees with the IM's rejection of the original MT 515 confirmation message.

The example covers the general information sequence, GENL, and the narrative field at the end of the order details sequence.

Reject a Confirmation

```
IMANXX21 MT 509 to BROKXX12
:16R:GENL
:20C::SEME//LLDEFA1123666845
:23G:INST
:16R:LINK
:13A::LINK//515

:20C::RELA//GHIJKL0987654400
```

Message reference

An instruction status

**Message type of the reference
message following in the next field**
**Message reference of MT 515
Allocation message**

`:16S:LINK`	
`:16R:STAT`	
`:25D::IPRC//REJT`	**Status – rejected**
`:16R:REAS`	
`:24B::REJT//DDEA`	**Reason – Unrecognised or invalid deal price**
`:16S:REAS`	
`:16S:STAT`	
`:16S:GENL`	

Rejection Disagreement

`BROKXX12 MT 515 to IMANXX21`	
`:16R:GENL`	
`:20C::SEME/MMCDEFA1123465849`	**Message reference**
`:23G:NEWM/DUPL`	**Duplicate message**
`:16R:LINK`	
`:20C::PREV//GHIJKL0987654400`	**Message reference of MT 515 the broker considers good**
`:16S:LINK`	
`:16S:GENL`	
`:16R:ORDRDET`	
`:70E::TPRO//PRICE CHECKED WITH TRADER`	**Narrative – why the sender disagrees with the rejection**
`:16S:ORDRDET`	

X. Confirmation Only and Contract Models

This section describes the use of GETC for:

1. an investment manager who does not allocate an order, but receives GETC confirmations from the broker directly after ordering, the so-called 'contract-only' investment manager scenario;
2. an investment manager who allocates by means other than GETC, for example FIX, email, fax, telephone, and receives GETC confirmations from the broker.

The illustrations below show the logical business flows in the scope of the Electronic Trade Confirmation process where the post-trade GETC process begins with the confirmation.

A. **Logical Sequence Diagram – Contract Only Investment Manager**

Trade Instructing Party · · · · · · Trade Executing Party

Confirm	←
Affirm the Confirmation	→
Status (including Rejection)	→

B. **Logical Sequence Diagram – Investment Manager Allocating by Other Means**

Trade Instructing Party · · · · · · Trade Executing Party

Advise Execution of Block– non GETC	←
Instruct an Allocation - non GETC	→
Confirm the Allocation	←
Affirm the Confirmation	→
Status (including Rejection)	→

C. <u>Business Data Requirements</u>

For the business flows described above, the business data elements required are the same as those described in the main body of the document, with one exception.

If the broker is unable to supply an allocation reference meaningful to the investment manager in the field "Instructing Party's Allocation Reference", then the field may be omitted.

<u>C1)</u>   Confirm the Allocation

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)
Instructing Party's Allocation Reference	Generated by the investment manager, often the (technical) message reference of the allocation message is used	O

D. <u>ISO 15022 Sequence Diagram</u>

The illustration below shows the implementation of the confirmation only level business flows using ISO 15022 messages.

Trade Instructing Party
Investment Manager
IMANXX21

Trade Executing Party
Broker
BROKXX12

Block Advice (Advice of Execution) non-GETC

Allocation non-GETC: FIX, email, fax etc.

MT 515 Confirmation

MT 517 Affirmation

MT 509 Status

E. <u>ISO 15022 Business data requirements</u>

For the business flows described above, the business data elements required are the same as those described in the main body of the document.

F. <u>Rules</u>

<u>F1)   Rejection Rules</u>

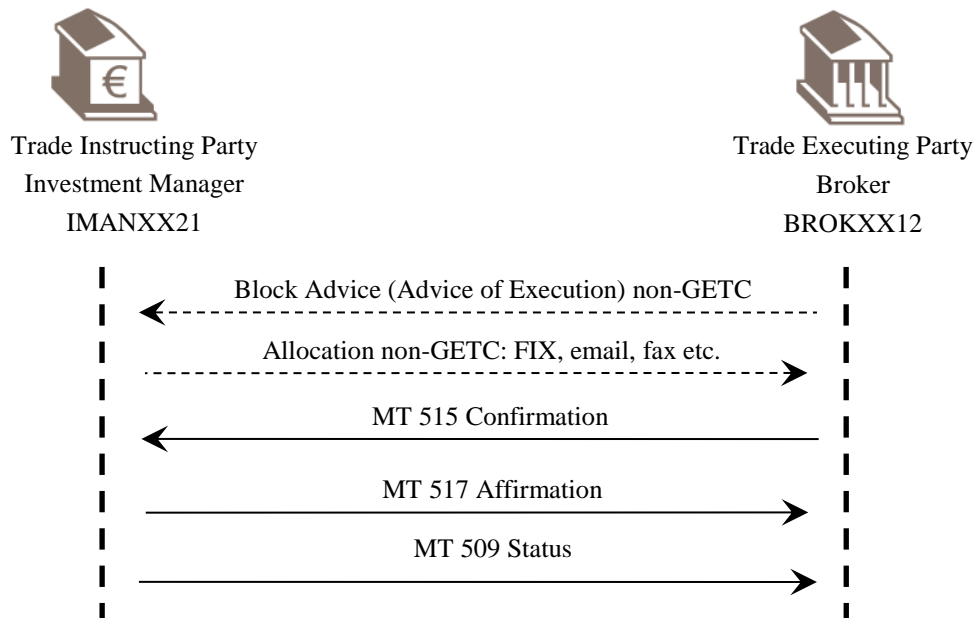This section describes the implementation of rejection rules using ISO 15022 messages to give the status of an instruction as opposed to a cancellation request.

- A rejection status message for an instruction, MT 509 with 23G:INST and 25D::IPRC and 24B::REJT or 24B::NMAT, may be sent in response to a received MT 515 confirmation;
- Following rejection of an MT 515 confirmation, the broker will cancel the original message before resending the message.

<u>F2)   Cancellation Rules</u>

This section describes the implementation of cancellation rules using ISO 15022 messages.

An individual message may be cancelled and then resent (as function of message CANC and NEWM respectively) in case of a technical error in the formatting of the message or change to the business content of the message. Only the sender of the original message may send a cancellation of that message.

The following describes the cancellation process to be used if the investment manager or broker has an issue at confirmation level.

Note that an MT 517 affirmation may not be cancelled.

<u>F3)   Confirmation Level Cancellation</u>

- An MT 515 confirmation message may be cancelled if amendment is required;
- An MT 515 cancellation may be sent irrespective of whether an MT 517 affirmation or MT 509 reject has been received.

<u>F4)   Cancellation Request – Acceptance or Rejection</u>

<u>Acceptance</u>

- Take no action and await the replacement message, a cancellation is assumed to be good unless it is rejected;
- Or send a cancellation request status message MT 509 accepting the cancellation.

<u>Rejection</u>

- Contact the sender off-line and agree how the trade is to be handled;
- Or send a cancellation request status message MT 509 rejecting the cancellation, and agree how the trade is to be handled off-line.

<u>F5)   Cancellation Request Acceptance or Rejection – Rules for MT 509 Usage</u>

- The cancellation request status MT 509 may be sent in response to any cancellation request, that is: by an investment manager to a broker in response to an MT 515 CANC (**optional**)
- The function of message is 23G:CAST
- The status is 25D::CPRC//PACK for acceptance
- The status is 25D::CPRC//REJT for rejection
- The reject reason may be supplied by 24B::REJT// and the appropriate code
- The Cancellation Request Status – Rejection indicates that the electronic version of this trade has reached an unrecoverable position, and that it will be progressed offline.

<u>F6)   Optional Rejection Disagreement</u>

The use of a duplicate message to indicate that the sender disagrees with a previously received rejection is **optional**.

The message is formatted in the same way as the original, with the exception that:

- The function of message field includes the sub-function DUPL, as 23G:NEWM/DUPL
- The linkage sub-sequence contains a reference to the original message in field 20C::PREV
- The reason for the disagreement may optionally be given in the trade instruction processing narrative field 70E::TPRO.

G. ISO 15022 Illustrations

Note that a minimum of one occurrence of the linkage sub-sequence, and thus a reference, is mandated in the MT 515 in ISO 15022. If an allocation reference or other reference is not available, it is recommended a reference is supplied as 20C::RELA//NONREF. This is a recommendation only, other reference formats may be used to satisfy this ISO 15022 requirement.

XI. Specific Markets

This section describes the GETC market practice in specific markets.

A. The German Market

A1)   Fund Identification in the German Market

When a German investment manager is a counterparty to the trade (as the instructing party) SWIFT GETC follows the German market practice for the identification of the investor. This market practice must be followed by all investment managers based in Germany.

See http://www.bvi.de/regulation/sector-standards/securities-transaction-standards/?L=1

Document *<06_wp_transakt_bro_eng_smpg_traconf>*.

In the allocation MT 514 and confirmation MT 515 messages the fund identifier :95Q::INVE//4*35x is replaced with the investment manager's BIC, acting as the KAG, :95P::INVE//4!a2!a2!c and an additional safekeeping account field is supplied, this is the account number at the custodian to be used, :97A::SAFE//35x. The table below gives an example, where the investment manager has bought securities.

MT 514 or MT 515	
:16R:CONFPRTY	Confirmation Party sub-sequence
:95P::BUYR//IMANXX21	**Buying Party, investment manager**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::INVE//IMANXX21	**Repeat of the investment manager's BIC, as KAG**
:97A::SAFE//123876	**Fund identifier, account at custodian**
:16S:CONFPRTY	

XII. Treatment of Optional Fields and Message Flows

Early adopters have used some fields and message flows over and above the minimum standard of compliance described in the preceding sections, this use is also compliant with ISO 15022.

The Implementation Forum of 1st March 2012 agreed to document such usage so that other institutions may decide for themselves whether to implement with their counterparties.

Such use must be agreed bilaterally.

A. **Additional Fields**

A1) Disclaimer

The broker may supply a disclaimer in the confirmation MT 515.

The disclaimer is in the declaration details narrative `:70E::DECL//10*35x` associated with the instructing party's client, 95Q::INVE.

Broker BROKXX12 sends a confirmation to the Investment manager IMANXX21.

BROKXX12 515 to IMANXX21MT	
:16R:GENL	
:20C::SEME//GHIJKL0987654400	**Message reference** **Executing party's confirmation reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing party's order reference**
:16S:LINK	
:16R:LINK	
:20C::RELA//ABCDEF1234567891	**Message reference of MT 514** **Instructing party's allocation reference**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20110205	**Trade date**
:98A::SETT//20110208	**Settlement date**
:90B::DEAL//ACTU/EUR83,5416	**Deal Price and Currency – equity**
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against Payment**
:22F::TTCO//XDIV	**Bargain Condition – ex dividend**
:16R:CONFPRTY	
:95P::BUYR//IMANXX21	**Buying Party**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95Q::INVE//PORTFOLIO ID	**Fund Identifier**
:70E::DECL//BROKER DISCLAIMER FOR IM'S CLIENT MAY BE UP TO TEN LINES OF THIRTY-FI VE CHARACTERS	**Disclaimer**
:16S:CONFPRTY	

`:16R:CONFPRTY`	
`:95P::SELL//BROKXX12`	**Selling Party**
`:22F::TRCA//PRIN`	**Broker's trading Capacity – Principal**
`:16S:CONFPRTY`	
`:36B::CONF//UNIT/20570,`	**Quantity of Financial Instrument Confirmed – equity**
`:35B:ISIN YY0000294034`	**Financial Instrument**
`:16R:FIA`	
`:94B::PLIS//EXCH/XLON`	**Place of Listing**
`:16S:FIA`	
`:16S:CONFDET`	

The broker may supply a disclaimer in the block advice MT 513.

In this case the disclaimer is in the declaration details narrative `:70E::DECL//10*35x` associated with the counterparty, 95P::BUYR or 95P::SELL depending on the direction of the trade.

A2)   Total Trade Amount

The broker may supply the total trade amount in the block advice MT 513.

The total trade amount is in the amount subsequence and is price multiplied by quantity, `:19A::DEAL//3!a15d`.

Broker BROKXX12 sends a block advice to the investment manager IMANXX21.

BROKXX12 MT 513 to IMANXX21	
`:16R:GENL`	
`:20C::SEME//GHIJKL0987654322`	**Message reference**
`:23G:NEWM`	**New Message**
`:22F::TRTR//TRAD`	*Trade Transaction Type*
`:16R:LINK`	
`:20C::COMM//BLK-CONF-001`	**Executing Party's block reference**
`:16S:LINK`	
`:16R:LINK`	
`:20C::TRRF//80117146007002`	**Instructing Party's order reference**
`:16S:LINK`	
`:16S:GENL`	
`:16R:ORDRDET`	
`:98A::TRAD//20110205`	**Trade date**
`:98A::SETT//20110208`	**Settlement date**
`:90B::DEAL//ACTU/EUR20,50`	**Deal Price and Currency – *equity***
`:22H::BUSE//BUYI`	**Direction of Trade – Buy**
`:22H::PAYM//APMT`	**Payment Indicator – Against Payment**
`:16R:CONFPRTY`	
`:95P::BUYR//IMANXX21`	**Buying Party**
`:16S:CONFPRTY`	
`:16R:CONFPRTY`	
`:95P::SELL//BROKXX12`	**Selling Party**
`:16S:CONFPRTY`	
`:36B::ADVI//UNIT/10000,`	**Quantity of Financial Instrument – *equity***
`:35B:ISIN ZZ0000294034`	**Financial Instrument**
`:16R:FIA`	
`:94B::PLIS//EXCH/XLON`	**Place of Listing**

`:16S:FIA`	
`:16S:ORDRDET`	
`:16R:SETDET`	
`:22F::SETR//TRAD`	**Settlement Transaction Type**
`:16R:AMT`	
`:19A::EXEC//EUR1000,`	**Block Commission - *equity***
`:16S:AMT`	
`:16R:AMT`	
`:19A::DEAL//EUR205000,`	**Total Trade Amount**
`:16S:AMT`	
`:16S:SETDET`	

B. <u>Message Flows</u>

<u>B1)   Cancellation Request Requires Manual Intervention</u>

In this illustration the investment manager IMANXX21 sends a 'cancellation request requires manual intervention' status message to the broker BROKXX12 in response to the broker's request to cancel an MT 513 block advice message. There is no need for a reason subsequence.

IMANXX21 MT 509 to BROKXX12	
`:16R:GENL`	
`:20C::SEME//BCDEFA1123456846`	**Message reference**
`:23G:CAST`	**A cancellation request status**
`:16R:LINK`	
`:13A::LINK//513`	Message type of the referenced message following in the next field
`:20C::RELA//GHIJKL0987654400`	**Message reference of MT 513 cancellation request**
`:16S:LINK`	
`:16R:STAT`	
`:25D::CPRC//PEND`	**Status – Cancellation Request Requires Manual Intervention**
`:16S:STAT`	
`:16S:GENL`	

Following the manual intervention the cancellation request may then be rejected or accepted as illustrated elsewhere in the document.

XIII. REPO Confirmation

This section describes the use of GETC for confirmation of repo and reverse repo transactions. Sell/buy back and buy/sell back transactions also follow this market practice. These transactions are referred to as 'repo' in this section.

A working group of GETC users and other firms, interested in using GETC for confirmation of repo contracts, have developed the market practice described in this section. It is based on the existing GETC Confirmation model for this first phase, the Block Allocation model will be addressed in due course and the development has been carried out with this in mind.

The business flow is thus confirmation followed by affirmation or rejection. Allocation of the opening leg is carried out by other means if required.

Life cycle events, for example: re-rating, call (early closing), and rollover will be covered in a later phase of the GETC market practice for repo.

The market practice separates term and open repos for clarity where required.

A. Terminology: Actors and Roles

As described in the existing GETC market practice.

B. Activities

As described in the existing GETC market practice. Logical Sequence Diagrams

C. Logical Sequence Diagrams

The illustration below shows the logical business flows in the scope of the Electronic Trade Confirmation process for:

- a term repo where the closing date is known, and thus the termination amount may be calculated and;
- an open repo where the closing date is not known, and thus the termination amount is also unknown.

Term Repo Opening and Closing Legs – Confirmation Only

Open Repo Opening Leg – Confirmation Only

Trade Instructing Party

Trade Executing Party

Advise Execution of Block– non GETC

Instruct a repo Allocation - non GETC

Confirm the repo Allocation, open leg

Affirm the repo Confirmation, open leg

Status (including Rejection)

Open Repo Closing Leg – Confirmation Only

Trade Instructing Party

Trade Executing Party

Agree close of the repo

Confirm the repo close Leg

Affirm the repo Confirmation, close leg

Status (including Rejection)

D. Business Data Requirements, including ISO 15022 Business Data Requirements

For the business scenarios described above, the business data elements required include those described in the existing GETC market practice, that is the main body of the document, for example the economics of the trade. The data elements shown here are specific for repo and other two-legged transactions.

D1)   Existing GETC Business Data for the Repo, term and open opening leg

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)	ISO 15022
Opening-Leg Settlement Amount	Already mandated in the confirmation as Settlement Amount. ISO 4217 Currency Code and amount	M	Sequence AMT :19A::SETT//[N]3!a15d
Opening Leg Settlement Date	Already mandated in the confirmation as Settlement Date. ISO 8601 Date/Time	M	Sequence CONFDET :98A::SETT//YYYYMMDD
Direction of Trade	Relative to the investment manager: • securities received or • securities delivered. **Reverses** for the closing leg	M	Sequence CONFDET :22F::BUSE// BUYI SELL
Settlement Transaction Type	Settlement Transaction Type used: • in both legs if IM delivers securities on opening leg. A repo transaction; • in both legs if IM receives securities on opening leg. A reverse repo transaction. • in both legs for a buy/sell back, *here the IM receives securities on the opening leg*; • in both legs for sell/buy back, *here the IM delivers securities on the opening leg*; Used in place of the default value TRAD	M	Sequence SETDET :22F::SETR// REPU RVPO BSBK SBBK

D2)   Additional Business Data for the Term Repo and Open Repo Opening Legs

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)	ISO 15022
Closing Leg Settlement Date	ISO 8601 Date/Time Or a code indicating that the repo is OPEN	M	Sequence REPO :98A::TERM//YYYYMMDD or :98B::TERM//OPEN
Repo Repurchase Rate	Repurchase rate used to calculate the repurchase amount	M	Sequence REPO :92A::REPO//[N]15d
Closing Leg Settlement Amount	Supply if the repo is not OPEN Includes the principal and interest.	C	Sequence REPO :19A::TRTE//[N]3!a15d
Repo Business Reference	Business reference for the repo transaction, valid for the duration of the repo.	M	Sequence REPO :20C::REPO//16x
Hair Cut Rate	Haircut or valuation factor on the security expressed as a percentage. If not applicable supply as zero.	M	Sequence REPO :92A::SHAI//[N]15d
Spread Rate	Margin over or under an index that determines the repurchase rate. If not applicable supply as zero.	M	Sequence REPO :92A::RSPR//[N]15d
Index/Variable Rate Support	Index or support rate used together with the spread to calculate the repurchase rate, e.g. EONIA, EURIBOR, LIBOR, FEFUND, EURREPO	O	Sequence REPO :92C::VASU/[8c]/24x
Repo Interest/ Premium Amount	Difference between the amount of money of the first leg and the amount of the second leg of the transaction	O	Sequence REPO :19A::REPP//[N]3!a15d
Rate Type	Specifies whether the rate is: • fixed or • variable	O	Sequence REPO :22F::RERT// FIXE VARI
Dirty or Clean Price Indicator	Indicates whether: • the trade is executed dirty, that is, pay government tax on the accrued interest of the bond, or • the trade is executed clean, that is, does not pay government tax on the accrued interest on the bond, and consequently price is higher.	M	Sequence SETDET :22F::TTCO// DIRT CLEN

D3)   GETC Business Data for Open Repo Closing Leg

Business data elements	Additional information	Mandatory (M), Conditional (C), Optional (O)	ISO 15022
Opening-Leg Settlement Amount	NOT SUPPLIED	-	
Opening Leg Settlement Date	NOT SUPPLIED	-	
Closing Leg Settlement Amount	Mandated in the confirmation as Settlement Amount. Includes any adjustments due to life-cycle events. ISO 4217 Currency Code and amount	M	Sequence AMT :19A::SETT//[N]3!a15d
Closing Leg Settlement Amount	ISO 4217 Currency Code and amount, same value as 19A::SETT	C	Sequence REPO :19A::TRTE//[N]3!a15d
Closing Leg Settlement Date	Mandated in the confirmation as Settlement Date. May be adjusted by a life-cycle event. ISO 8601 Date/Time.	M	Sequence CONFDET :98A::SETT//YYYYMMDD
Closing Leg Settlement Date	ISO 8601 Date/Time, same value as 98A::SETT	M	Sequence REPO :98A::TERM//YYYYMMDD or :98B::TERM//OPEN
Direction of Trade	Relative to the investment manager: • securities received or • securities delivered. **Reverse** of the opening leg	M	Sequence CONFDET :22F::BUSE// BUYI SELL
Other fields	As open leg		

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E. <u>ISO 15022 Sequence Diagrams</u>

The illustrations below shows the implementation of the business flows using ISO 15022 messages.

<u>E1)   Term Repo Opening and Closing Legs – Confirmation Only</u>

Trade Instructing Party
Investment Manager
IMANXX21

Trade Executing Party
Broker
BROKXX12

← Block Advice (Advice of Execution) non-GETC

→ Allocation non-GETC: FIX, email, fax etc.

← MT 515 Confirmation of the repo, both legs

→ MT 517 Affirmation of the repo, both legs

→ MT 509 Status

<u>E2)   Open Repo Opening Leg – Confirmation Only</u>

Trade Instructing Party
Investment Manager
IMANXX21

Trade Executing Party
Broker
BROKXX12

← Block Advice (Advice of Execution) non-GETC

→ Allocation non-GETC: FIX, email, fax etc.

← MT 515 Confirmation of the repo, open leg

→ MT 517 Affirmation of the repo, open leg

→ MT 509 Status

E3)   Open Repo Closing Leg – Confirmation Only

F. <u>Rules</u>

<u>F1)   General Rules and Clarifications</u>

<u>General</u>

- The use of electronic confirmation and affirmation does not make any change to the legality of the repo contract.
- The quantity confirmed is the quantity executed, it is not the settlement quantity. It is common practice to split the executed quantity into a number of settlement instructions for liquidity purposes.
- The repo business reference is used to link the open and close legs, other references follow GETC rules for mandatory and optional. In the confirmation model this reference is generated by the broker. Note that the repo reference applies at confirmation (and allocation) level, not at block level.

<u>Term Repo</u>

- A single MT 515 confirmation message is used to confirm both the open and close legs, similarly a single MT 517 affirmation is used to affirm both the open and close legs.
- There is no requirement to amend, by cancel and replace, the close leg details if these are changed by a life cycle event

<u>Open Repo</u>

- The open and close legs are confirmed and affirmed separately using an MT 515 confirmation message and an MT 517 affirmation for each leg.
- The close leg MT 515 confirmation of an open repo is sent after the termination of the repo has been agreed by the parties.
- The close leg of an open repo is NOT preceded by a block and allocation exchange, electronically or otherwise.
- The trade date is the opening trade date in both legs.
- In the close leg confirmation the Settlement Amount is what is to be settled on closing (including the impact of any life cycle events).
- In the close leg confirmation the Settlement Date is the date of closing.

<u>F2)   Rejection Rules</u>

The rejection rules are the same as those for the Confirmation and Contract Only models, see sections X.F1 and F6.

- Note that a confirmation may not be rejected if an affirmation has already been sent for the confirmation.

<u>F3)   Cancellation Rules</u>

The cancellation rules the same as those for the Confirmation and Contract Only models, see sections X.F2-5.

In addition:

- A leg may not be cancelled after it has settled.

<u>F4)   Identification of Opening and Closing Legs</u>

The opening and closing legs may be identified by a combination of the direction of trade, relative to the instructing party (investment manager) and the settlement transaction type. Thus for the opening leg of a classic repo, where the investment manager receives securities from the broker, the values of the fields are:

:22H::BUSE//BUYI

:22F::SETR//RVPO

This is a reverse repo from the point of view of the investment manager.

On closing the investment manager returns the securities to the broker, the values are:

:22H::BUSE//SELL

:22F::SETR// RVPO

Similarly for a reverse repo for the broker, a repo from the point of view of the investment manager, the values on opening are:

:22H::BUSE//SELL

:22F::SETR//REPU

And on closing the investment manager receives the securities from the broker, the values are:

:22H::BUSE//BUYI

:22F::SETR// REPU

G. ISO 15022 Illustrations

For the business scenarios described above, the message illustrations are based on those described in the main body of the GETC market practice, for example the economics of the trade.

G1)   Term Repo – Investment Manager Delivers Securities

Broker BROKXX12 sends a confirmation to the investment manager IMANXX21.

BROKXX12 515 to IMANXX21MT	
:16R:GENL	
:20C::SEME//GHIJKL0987654400	**Message reference** **Executing party's confirmation reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::RELA//NONREF	**Default value for the Instructing party's allocation reference**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20130205	**Trade date**
:98A::SETT//20130208	**Settlement date**
:90A::DEAL//PRCT/101,50	**Deal Price and Currency – fixed income**
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against Payment**
:22F::TTCO//CLEN	**Bargain Condition – clean price**
:16R:CONFPRTY	
:95P::BUYR//IMANXX21	**Buying Party**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95Q::INVE//PORTFOLIO ID	**Fund Identifier**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::SELL//BROKXX12	**Selling Party**
:22F::TRCA//PRIN	**Broker's trading Capacity – Principal**
:16S:CONFPRTY	
:36B::CONF//FAMT/2000000,	**Quantity of Financial Instrument Confirmed – fixed income**
:35B:ISIN YY0000294034	**Financial Instrument**
:16S:CONFDET	
:16R:SETDET	
:22F::SETR//RVPO	*A Reverse Repo Settlement Transaction Type for the IM*
:16R:SETPRTY	
:95P::BUYR//IMANXX21	**Client of the receiving agent**
:97A::SAFE//123-45687	**Client's safekeeping account at the agent to be credited**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//SUBCYY34	**Receiving agent**

`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::PSET//NCSDXX21`	**Place of settlement**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95R::DEAG/NCSD/93457`	**Delivering agent – broker self clears with proprietary identifier at the CSD**
`:16S:SETPRTY`	
`:16R:AMT`	
`:19A::SETT//EUR2030500,`	**Open Leg Settlement Amount**
`:16S:AMT`	
`:16R:AMT`	
`:19A::DEAL//EUR2030000,`	**Deal Amount**
`:16S:AMT`	
`:16R:AMT`	
`:19A::CHAR//EUR500,`	**Charges/Fees**
`:16S:AMT`	
`:16S:SETDET`	
`:16R:REPO`	**Two Leg Transaction Details Sequence**
`:98A::TERM//20130808`	**Close Leg Settlement Date**
`:22F::RERT//FIXE`	**Rate Type – Fixed**
`:20C::REPO//234REPOREF01`	**Repo Business Reference**
`:92A::REPO//2,`	**Repurchase Rate**
`:92A::SHAI//1,`	**Haircut Rate**
`:92A::RSPR//1,5`	**Spread Rate**
`:92C::VASU//LIBOR`	**Index/Variable Rate Support**
`:19A::TRTE//EUR2050300,`	**Close Leg Settlement Amount**
`:19A::REPP//EUR20300,`	**Repo Interest/premium Amount**
`:16S:REPO`	

G2)   Affirmation

The repo affirmation is the **same as the GETC market practice** affirmation.

Investment manager IMANXX21 sends an affirmation to the broker BROKXX12.

IMANXX21 MT 517 to BROKXX12	
`:16R:GENL`	
`:20C::SEME//BCDEFA1123456789`	**Message reference**
`:23G:NEWM`	**New Message**
`:95P::AFFM//IMANXX21`	**Affirming Party**
`:16R:LINK`	
`:13A::LINK//515`	*Message type of the referenced message*
`:20C::RELA//GHIJKL0987654400`	**Message reference of MT 515 Executing party's confirmation reference**
`:16S:LINK`	
`:16S:GENL`	

G3)   Open Repo, Open Leg – Investment Manager Receives Securities

Broker BROKXX12 sends a confirmation to the investment manager IMANXX21.

BROKXX12 515 to IMANXX21MT	
:16R:GENL	
:20C::SEME//GHIJKL0987654401	**Message reference** **Executing party's confirmation reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::RELA//NONREF	**Default value for the Instructing party's allocation reference**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20130205	**Trade date**
:98A::SETT//20130208	**Settlement date**
:90A::DEAL//PRCT/101,50	**Deal Price and Currency – fixed income**
:22H::BUSE//SELL	**Direction of Trade – Sell**
:22H::PAYM//APMT	**Payment Indicator – Against Payment**
:22F::TTCO//DIRT	**Bargain Condition – dirty price**
:16R:CONFPRTY	
:95P::SELL//IMANXX21	**Selling Party**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95Q::INVE//PORTFOLIO ID	**Fund Identifier**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::BUYR//BROKXX12	**Buying Party**
:22F::TRCA//PRIN	**Broker's trading Capacity – Principal**
:16S:CONFPRTY	
:36B::CONF//FAMT/2000000,	**Quantity of Financial Instrument Confirmed – fixed income**
:35B:ISIN YY0000294034	**Financial Instrument**
:16S:CONFDET	
:16R:SETDET	
:22F::SETR//REPU	*A Repo Settlement Transaction Type*
:16R:SETPRTY	
:95P::SELL//IMANXX21	**Client of the delivering agent**
:97A::SAFE//123-45687	**Client's safekeeping account at the agent to be credited**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//SUBCYY34	**Delivering agent**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//NCSDXX21	**Place of settlement**
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG/NCSD/93457	**Receiving agent – broker self clears with proprietary identifier at the CSD**

:16S:SETPRTY	
:16R:AMT	
:19A::SETT//EUR20305000,	**Open Leg Settlement Amount**
:16S:AMT	
:16R:AMT	
:19A::DEAL//EUR2030000,	**Deal Amount**
:16S:AMT	
:16R:AMT	
:19A::CHAR//EUR500,	**Charges/Fees**
:16S:AMT	
:16S:SETDET	
:16R:REPO	**Two Leg Transaction Details Sequence**
:98B::TERM//OPEN	**Close Leg OPEN**
:22F::RERT//FIXE	**Rate Type – Fixed**
:20C::REPO//234REPOREF01	**Repo Business Reference**
:92A::REPO//2,	**Repurchase Rate**
:92A::SHAI//1,	**Haircut Rate**
:92A::RSPR//1,5	**Spread Rate**
:92C::VASU//LIBOR	**Index/Variable Rate Support**
	Close Leg Settlement Amount, NOT SUPPLIED in the open repo
:16S:REPO	

Investment manager IMANXX21 sends an affirmation to the broker BROKXX12.

```
IMANXX21 MT 517 to BROKXX12
```

G4)   Open Repo, Close Leg – Investment Manager Receives Securities

Broker BROKXX12 sends a confirmation to the investment manager IMANXX21, after agreeing the closing leg settlement date and closing leg settlement amount.

BROKXX12 515 to IMANXX21MT	
:16R:GENL	
:20C::SEME//GHIJKL0987654402	**Message reference Executing party's confirmation reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::RELA//NONREF	**Default value for the Instructing party's allocation reference**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20130205	**Trade date**
:98A::SETT//20131108	**Settlement date of close leg**
:90A::DEAL//PRCT/101,50	**Deal Price and Currency – fixed income**
:22H::BUSE//BUYI	**Direction of Trade – Sell Opposite to the open leg**

`:22H::PAYM//APMT`	**Payment Indicator – Against Payment**
`:22F::TTCO//DIRT`	**Bargain Condition – dirty price**
`:16R:CONFPRTY`	
`:95P::BUYR//IMANXX21`	**Buying Party**
`:16S:CONFPRTY`	
`:16R:CONFPRTY`	
`:95Q::INVE//PORTFOLIO ID`	**Fund Identifier**
`:16S:CONFPRTY`	
`:16R:CONFPRTY`	
`:95P::SELL//BROKXX12`	**Selling Party**
`:22F::TRCA//PRIN`	**Broker's trading Capacity – Principal**
`:16S:CONFPRTY`	
`:36B::CONF//FAMT/2000000,`	**Quantity of Financial Instrument Confirmed – fixed income**
`:35B:ISIN YY0000294034`	**Financial Instrument**
`:16S:CONFDET`	
`:16R:SETDET`	
`:22F::SETR//REPU`	*A Repo Settlement Transaction Type*
`:16R:SETPRTY`	
`:95P::BUYR//IMANXX21`	**Client of the receiving agent**
`:97A::SAFE//123-45687`	**Client's safekeeping account at the agent to be credited**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::REAG//SUBCYY34`	**Receiving agent**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95P::PSET//NCSDXX21`	**Place of settlement**
`:16S:SETPRTY`	
`:16R:SETPRTY`	
`:95R::DEAG/NCSD/93457`	**Delivering agent – broker self clears with proprietary identifier at the CSD**
`:16S:SETPRTY`	
`:16R:AMT`	
`:19A::SETT//EUR2060450,`	**Close Leg Settlement Amount**
`:16S:AMT`	
`:16R:AMT`	
`:19A::DEAL//EUR2030000,`	**Deal Amount**
`:16S:AMT`	
`:16S:SETDET`	
`:16R:REPO`	**Two Leg Transaction Details Sequence**
`:98B::TERM//OPEN`	**Original Close Leg Settlement Date**
`:22F::RERT//FIXE`	**Rate Type – Fixed**
`:20C::REPO//234REPOREF01`	**Repo Business Reference**
`:92A::REPO//2,`	**Repurchase Rate**
`:92A::SHAI//1,`	**Haircut Rate**
`:92A::RSPR//1,5`	**Spread Rate**
`:92C::VASU//LIBOR`	**Index/Variable Rate Support**
`:19A::REPP//EUR30450,`	**Repo Interest/premium Amount**
`:16S:REPO`	

G5)   Reject or give the status of a received message, MT 509

The reject or status message for repo is the **same as the GETC market practice** affirmation.

Investment manager IMANXX21 sends a rejection to the broker BROKXX12.

IMANXX21 MT 509 to BROKXX12	
:16R:GENL	
:20C::SEME//BCDEFA1123456845	**Message reference**
:23G:INST	**An instruction status**
:16R:LINK	
:13A::LINK//515	Message type of the referenced message following in the next field
:20C::RELA//GHIJKL0987654400	**Message reference of MT 515 Executing party's confirmation message**
:16S:LINK	
:16R:STAT	
:25D::IPRC//REJT	**Status – rejected**
:16R:REAS	
:24B::REJT//TERM	**Reason – closing date**
:16S:REAS	
:16S:STAT	
:16S:GENL	

Additional reason codes are available for the repo business data.

The table below gives the REJT and NMAT codes that apply to repo confirmation in Global ETC:

Field or Reason	NMAT code	REJT code	Description
Closing Leg Settlement Date		TERM	Unrecognised or invalid closing date/time
Repo Repurchase Rate		REPO	Unrecognised or invalid repurchase rate
Spread Rate		RSPR	Unrecognised or invalid repurchase spread rate
Index/Variable Rate Support		VASU	Unrecognised or invalid variable rate support (repo)
Repo Interest/ Premium Amount		REPP	Unrecognised or invalid repurchase premium amount
Repo Business Reference		REFE	Instruction has a reference identical to another previously received instruction
Rate Type		RERT	Unrecognised or invalid repurchase rate type.

IMPLEMENTATION GUIDE SECTIONS

XIV. Exception Items

This section is divided into two parts:

- Exception conditions relevant to the instructing party (IM or investment manager)
- Exception conditions relevant to the executing party (EB or broker).

The tables below summarises the exception conditions that may arise during the lifecycle of the Global ETC process. They identify the detection triggers for each condition, and the required actions in response. It is not intended to provide a detailed design; rather, as an aide-memoire to the development team to assist in scoping, estimating and analysing the requirements for the development phase of client projects.

A. Exception conditions relevant to IMs

Condition	Trigger	Required Action
BLOCK ADVICE-related exceptions		
No Block Advice received	Unmatched block trade in IM system beyond given timeout value	Out of scope of GETC (ie local or manual solution required)
Block Advice mismatches	Mismatch on a matching field detected by local matching system	Decide if IM or broker record is wrong. If local record is wrong, amend or replace local record and represent to matching systems. If broker is wrong, send MT 509 to broker with appropriate REJT or NMAT code corresponding to the field or fields mismatched.
Block Advice received for unknown trade	Block trade remains unmatched beyond local timeout value	Send MT 509 to broker with NMAT code "CMIS", and the Related Reference of the Block Advice (MT 513), or communicate offline.
Block trade received inconsistent with Market Practice	Block trade falls out of STP process due to internal field validation	Send MT 509 to broker with appropriate REJT or NMAT code corresponding to the field or fields misformed, quoting the Related Reference of the Block Advice.
ALLOCATION-related exceptions		
Block trade only partly allocated	Allocations recorded for less than total block trade quantity after given timeout value	IM must hold back allocation set until block trade is fully allocated.
Allocation/s rejected by broker	MT 509/s received from broker with NMAT and/or REJT codes	IM resends the MT 514 allocation/s to replace those rejected. There is no need to cancel the erroneous MT 514s, since the broker has rejected them, however, the IM may do so.

Condition	Trigger	Required Action
CONFIRMATION-related exceptions		
No Confirmation received	Unmatched confirmation in IM system beyond given timeout value	Out of scope of GETC
Confirmation mismatches	Mismatch on a matching field detected	Decide if IM or broker record is wrong. If local record is wrong, amend or replace local record and represent to matching systems. If broker is wrong, send MT509 to broker with appropriate REJT or NMAT code corresponding to the field or fields mismatched.
Confirmation received for unknown trade	Local confirmation remains unmatched beyond given timeout value	Send MT 509 to the broker with NMAT code "CMIS", or communicate offline
Confirmation received inconsistent with Market Practice	Block trade falls out of STP process due to internal field validation	Send MT 509 to broker with appropriate REJT or NMAT code corresponding to the field or fields misformed.
Confirmation is received after Allocation is cancelled		Send MT 509 to the broker with NMAT code "MCAN", or communicate offline

B. Exception conditions relevant to Brokers

Condition	Trigger	Required Action
BLOCK ADVICE-related exceptions		
Block Trade requested	Request from IM	Alert trading desk or middle office – a block trade advice is expected by the client. If the block advice is awaiting dispatch, dispatch it.
Block Trade Rejected	MT509 received from IM with NMAT and/or REJT codes	Interrogate MT 509 REJT and NMAT reason codes to find out what is wrong, and rebook (using MT 513 NEWM). Before rebooking the broker cancels the original message.
Block Trade Ignored	Block trade remains unmatched/alleged beyond given timeout value	Out of scope of GETC (ie local or manual solution required)

Condition	Trigger	Required Action
ALLOCATION-related exceptions		
Block trade only partly allocated (NOTE – despite the market practice requirement for IMs to withhold MT514s until a complete set is available, this case can still arise if, for example, one of a set of allocations or confirmation is cancelled)	Allocations received for less than total block trade quantity after given timeout value	Out of scope of GETC
Allocation/s received for unknown accounts	MT 514 contain unrecognised accounts	Send MT 509s (only of error allocations) to IM with REJT code "INVE" using Data Source Scheme GETC
Block Trade overallocated	Allocated amount exceeds Block Advice total quantity	For each allocation received after Block Advice total quantity is fully allocated, return one MT509 for each rejected allocation, with REJT code "DQUA"
CONFIRMATION-related exceptions		
Confirm Rejected	MT 509 Reject received from IM	Interrogate MT 509 REJT and NMAT reason codes to find out what is wrong, rebook (using MT 515 NEWM). Before rebooking the broker cancels the original message.
Confirmation ignored	Confirmation remains unaffirmed beyond given timeout value	Out of scope of GETC

XV. ISO 15022 Rejection and Cancellation Sequences and Illustrations

The message sequence is given for rejection and cancellation, each sequence is accompanied by message illustrations.

A. Rejection Sequence

Advise Execution of the Block Order

Equity specific fields highlighted.

BROKXX12 MT 513 to IMANXX21	
:16R:GENL	
:20C::SEME//GHIJKL0987654322	**Message reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	
:16S:GENL	
:16R:ORDRDET	
:98A::TRAD//20110205	**Trade date**
:98A::SETT//20110208	**Settlement date**
:90B::DEAL//ACTU/EUR20,50	**Deal Price and Currency – *equity***
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against Payment**

`:16R:CONFPRTY`	
`:95P::BUYR//IMANXX21`	**Buying Party**
`:16S:CONFPRTY`	
`:16R:CONFPRTY`	
`:95P::SELL//BROKXX12`	**Selling Party**
`:16S:CONFPRTY`	
`:36B::ADVI//`UNIT`/10000,`	**Quantity of Financial Instrument -** *equity*
`:35B:ISIN ZZ0000294034`	**Financial Instrument**
`:16R:FIA`	
`:94B::PLIS//EXCH/XLON`	**Place of Listing**
`:16S:FIA`	
`:16S:ORDRDET`	
`:16R:SETDET`	
`:22F::SETR//TRAD`	**Settlement Transaction Type**
`:16R:AMT`	
`:19A::`EXEC`//EUR1000,`	**Block Commission -** *equity*
`:16S:AMT`	
`:16S:SETDET`	

Δ   Reject Advise Execution of the Block Order

Trade Instructing Party   Trade Executing Party

Advise Execution of the Block Order

Reject the Advice of Execution

Cancel Original Advice of the Block Order

New Advise Execution of the Block Order

Reject the Advice of Execution

`IMANXX21 MT 509 to BROKXX12`	
`:16R:GENL`	
`:20C::SEME//BCDEFA1123456845`	**Message reference**
`:23G:INST`	**An instruction status**
`:16R:LINK`	
`:13A::LINK//513`	**Message type of the reference message following in the next field**
`:20C::RELA//GHIJKL0987654322`	**Message reference of MT 513 Executing Party's Advise Execution of the Block Order message**
`:16S:LINK`	
`:16R:STAT`	
`:25D::IPRC//REJT`	**Status – rejected**
`:16R:REAS`	

`:24B::REJT//DDEA`	**Reason – deal price**
`:16S:REAS`	
`:16S:STAT`	
`:16S:GENL`	

Cancel the Original Advice of Execution of the Block Order

BROKXX12 MT 513 Cancellation to IMANXX21	
`:16R:GENL`	
`:20C::SEME//KKDEFA5523456845`	**Message reference**
`:23G:CANC`	**Cancellation Message**
`:22F::TRTR//TRAD`	
`:16R:LINK`	
`:20C::PREV//GHIJKL0987654322`	**Message reference of message being cancelled**
`:16S:LINK`	
`:16R:LINK`	
`:20C::COMM//BLK-CONF-001`	**Executing Party's block reference**
`:16S:LINK`	
`:16R:LINK`	
`:20C::TRRF//80117146007002`	**Instructing Party's order reference**
`:16S:LINK`	
`:16S:GENL`	

Note that the remainder of the cancellation MT 513 is formatted in the same way as the original

New Advice of Execution of the Block Order

BROKXX12 MT 513 to IMANXX21

Δ Rejection of an Allocation

Trade Instructing Party   Trade Executing Party

Advise Execution of the Block Order

Instruct an Allocation

Reject the Allocation

Cancel Original Allocation (Optional)

New Allocation Instruction

Instruct an Allocation

IMANXX21 MT 514 to BROKXX12	
:16R:GENL	
:20C::SEME//ABCDEF1234567891	**Message reference** **Instructing Party's allocation reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	
:16R:LINK	
:20C::RELA//GHIJKL0987654322	**Message reference of MT 513**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20110205	**Trade date**
:98A::SETT//20110208	**Settlement date**
:90B::DEAL//ACTU/EUR20,50	**Deal Price and Currency – *equity***
:19A::SETT//EUR0,	**Settlement Currency**
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against Payment**
:16R:CONFPRTY	
:95P::BUYR//IMANXX21	**Buying Party**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95Q::INVE//PORTFOLIO ID	**Fund Identifier**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::SELL//BROKXX12	**Selling Party**
:16S:CONFPRTY	
:36B::ALLO//UNIT/5000,	**Quantity of Financial Instrument Allocated – *equity***
:36B::TQBT//UNIT/10000,	**Total Quantity of the Block**
:35B:ISIN ZZ0000294034	**Financial Instrument**
:16S:CONFDET	

Reject the Allocation

BROKXX12 MT 509 to IMANXX21	
:16R:GENL	
:20C::SEME//SSDEFA1123477845	**Message reference**
:23G:INST	**An instruction status**
:16R:LINK	
:13A::LINK//514	**Message type of the reference message following in the next field**
:20C::RELA//ABCDEF1234567891	**Message reference of MT 514 Allocation message**
:16S:LINK	
:16R:STAT	

:25D::IPRC//REJT	**Status – rejected**
:16R:REAS	
:24B::REJT//DSEC	**Reason – Unrecognised or invalid financial instrument identification**
:16S:REAS	
:16S:STAT	
:16S:GENL	

Cancel the Original Allocation

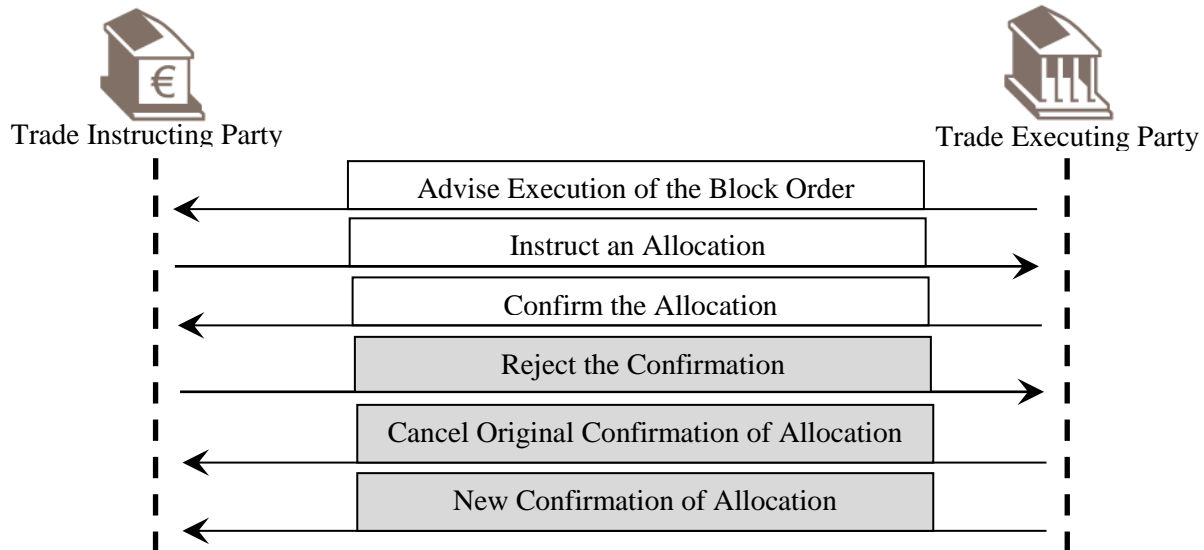|	
IMANXX21 MT 514 Cancellation to BROKXX12	
:16R:GENL	
:20C::SEME//NNDLLA1123486845	**Message reference**
:23G:CANC	**Cancellation Message**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//ABCDEF1234567891	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	
:16R:LINK	
:20C::RELA//GHIJKL0987654322	**Message reference of MT 513**
:16S:LINK	
:16S:GENL	

Note that the remainder of the cancellation MT 514 is formatted in the same way as the original

New Allocation Instruction

IMANXX21 MT 514 to BROKXX12

(A)   **Rejection of Confirmation**

Trade Instructing Party		Trade Executing Party
	Advise Execution of the Block Order	←
→	Instruct an Allocation	
	Confirm the Allocation	←
→	Reject the Confirmation	
	Cancel Original Confirmation of Allocation	←
	New Confirmation of Allocation	←

Confirm the Allocation

BROKXX12 515 to IMANXX21MT	
:16R:GENL	
:20C::SEME//GHIJKL0987654400	**Message reference** **Executing Party's confirmation reference**
:23G:NEWM	**New Message**
:22F::TRTR//TRAD	*Trade Transaction Type*
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	
:16R:LINK	
:20C::RELA//ABCDEF1234567891	**Message reference of MT 514** **Instructing Party's allocation reference**
:16S:LINK	
:16S:GENL	
:16R:CONFDET	
:98A::TRAD//20110205	**Trade date**
:98A::SETT//20110208	**Settlement date**
:90B::DEAL//ACTU/EUR	**Deal Price and Currency – *equity***
:22H::BUSE//BUYI	**Direction of Trade – Buy**
:22H::PAYM//APMT	**Payment Indicator – Against Pmt**
:22F::TTCO//XDIV	**Bargain Condition – ex dividend**
:16R:CONFPRTY	
:95P::BUYR//IMANXX21	**Buying Party**
:16S:CONFPRTY	

:16R:CONFPRTY	
:95Q::INVE//PORTFOLIO ID	**Fund Identifier**
:16S:CONFPRTY	
:16R:CONFPRTY	
:95P::SELL//BROKXX12	**Selling Party**
:22F::TRCA//PRIN	**Broker's trading Capacity – Principal**
:16S:CONFPRTY	
:36B::CONF//UNIT/5000,	**Quantity of Financial Instrument Confirmed –** *equity*
:35B:ISIN ZZ0000294034	**Financial Instrument**
:16R:FIA	
:94B::PLIS//EXCH/XLON	**Place of Listing**
:16S:FIA	
:16S:CONFDET	
:16R:SETDET	
:22F::SETR//TRAD	*Settlement Transaction Type*
:16R:SETPRTY	
:95P::BUYR//IMANXX21	**Client of the receiving agent**
:97A::SAFE//123-45687	**Client's safekeeping account at the agent to be credited**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//SUBCYY34	**Receiving agent**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::PSET//NCSDXX21	**Place of settlement**
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG/NCSD/93457	**Delivering agent – broker self clears with proprietary identifier at the CSD**
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//EUR103000	**Settlement Amount**
:16S:AMT	
:16R:AMT	
:19A::DEAL//EUR102500	**Deal Amount**
:16S:AMT	
:16R:AMT	
:19A::CHAR//EUR500,	**Charges/Fees**
:16S:AMT	
:16S:SETDET	

Reject the Confirmation

IMANXX21 MT 509 to BROKXX12	
:16R:GENL	
:20C::SEME//BCDEFA1123456845	**Message reference**
:23G:INST	**An instruction status**
:16R:LINK	
:13A::LINK//515	**Message type of the reference message following in the next field**
:20C::RELA//GHIJKL0987654400	**Message reference of MT 515 Confirmation message**
:16S:LINK	
:16R:STAT	

:25D::IPRC//REJT	**Status – rejected**
:16R:REAS	
:24B::REJT//FEEE	**Reason – Unrecognised or invalid fee or commission**
:70D::REAS//INCORRECT PERCENTAGE APPLIED	**Reason narrative**
:16S:REAS	
:16S:STAT	
:16S:GENL	

Cancel the Original Confirmation of Allocation

BROKXX12 MT 515 Cancellation to IMANXX21	
:16R:GENL	
:20C::SEME//JJDEFA1123459945	**Message reference**
:23G:CANC	**Cancellation Message**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//GHIJKL0987654400	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	
:16R:LINK	
:20C::RELA//ABCDEF1234567891	**Message reference of MT 514 Instructing Party's allocation reference**
:16S:LINK	
:16S:GENL	

Note that the remainder of the cancellation MT 515 is formatted in the same way as the original
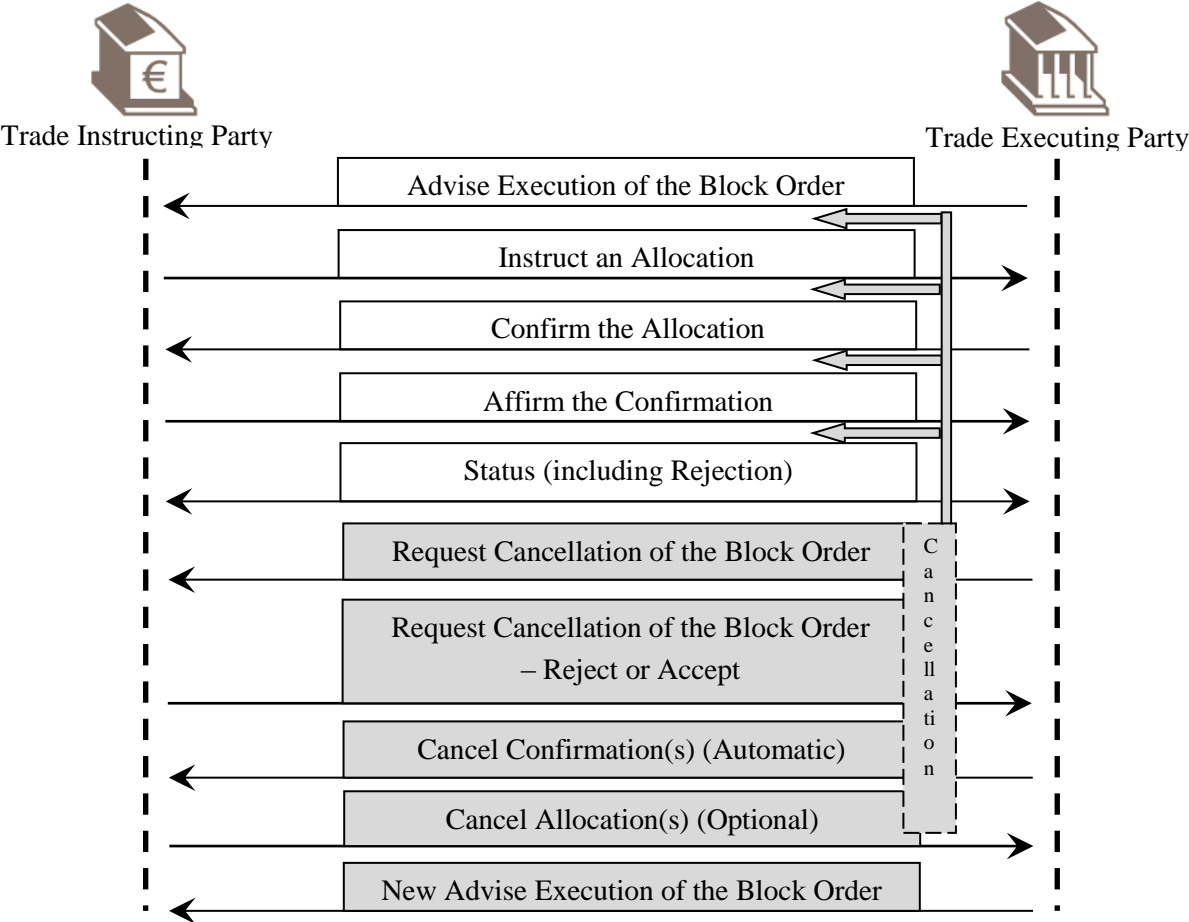
New Confirmation of Allocation

BROKXX12 515 to IMANXX21MT

B. <u>Cancellation Sequence</u>

Trade Instructing Party

Trade Executing Party

Advise Execution of the Block Order	
R1 R2 Cancellation Request	
Acceptance or Rejection (Mandatory)	
Instruct an Allocation	
R Cancellation	
Acceptance or Rejection (Optional)	
Confirm the Allocation	
R Cancellation	
Acceptance or Rejection (Optional)	
Affirm the Confirmation	
Status (including Rejection)	
Cancellation	

(B) **Block Level Cancellation Initiated by Broker**

Trade Instructing Party   Trade Executing Party

| Advise Execution of the Block Order |
| Instruct an Allocation |
| Confirm the Allocation |
| Affirm the Confirmation |
| Status (including Rejection) |
| Request Cancellation of the Block Order |
| Request Cancellation of the Block Order – Reject or Accept |
| Cancel Confirmation(s) (Automatic) |
| Cancel Allocation(s) (Optional) |
| New Advise Execution of the Block Order |

Cancellation

Request Cancellation of the Block Order

BROKXX12 MT 513 to IMANXX21	
:16R:GENL	
:20C::SEME//YYDEFA1123498845	**Message reference**
:23G:CANC	**Cancellation Message**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//GHIJKL0987654322	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	
:16S:GENL	

Note that the remainder of the cancellation MT 513 is formatted in the same way as the original

Request Cancellation of the Block Order–Reject or Accept

Reject

IMANXX21 MT 509 to BROKXX12	
:16R:GENL	
:20C::SEME//EEDEFA1123456765	**Message reference**
:23G:CAST	**A cancellation request status**
:16R:LINK	
:13A::LINK//513	**Message type of the reference message following in the next field**
:20C::RELA//YYDEFA1123498845	**Message reference of MT 515(or 514) Executing Party's confirmation cancellation message**
:16S:LINK	
:16R:STAT	
:25D::CPRC//REJT	**Status – rejected**
:16R:REAS	
:24B::REJT//NARR	**Reason – explained in narrative**
:70D::REAS//REASON WHY CANCELLATION REJECTED	**Reason – Narrative**
:16S:REAS	
:16S:STAT	
:16S:GENL	

On receipt of the rejection - Contact sender of the rejection offline and agree how the trade is to be handled.

Accept

IMANXX21 MT 509 to BROKXX12	
:16R:GENL	
:20C::SEME//EEDEFA1123456766	**Message reference**
:23G:CAST	**A cancellation request status**
:16R:LINK	
:13A::LINK//513	Message type of the referenced message following in the next field
:20C::RELA//YYDEFA1123498845	**Message reference of MT 513 cancellation request**
:16S:LINK	
:16R:STAT	
:25D::CPRC//PACK	**Status – accepted**
:16S:STAT	
:16S:GENL	

On receipt of the acceptance of the cancellation, follow the diagrammed message flow (see above) which is detailed below.

Cancel Confirmation(s)

BROKXX12 MT 515 to IMANXX21	
:16R:GENL	
:20C::SEME//OODEFA1123452211	**Message reference**
:23G:CANC	**An instruction status**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//GHIJKL0987654400	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::4!c//16x	**Message reference included in the original, for example COMM or TRRF or RELA**
:16S:LINK	
:16S:GENL	

Note that the remainder of the cancellation MT 515 is formatted in the same way as the original
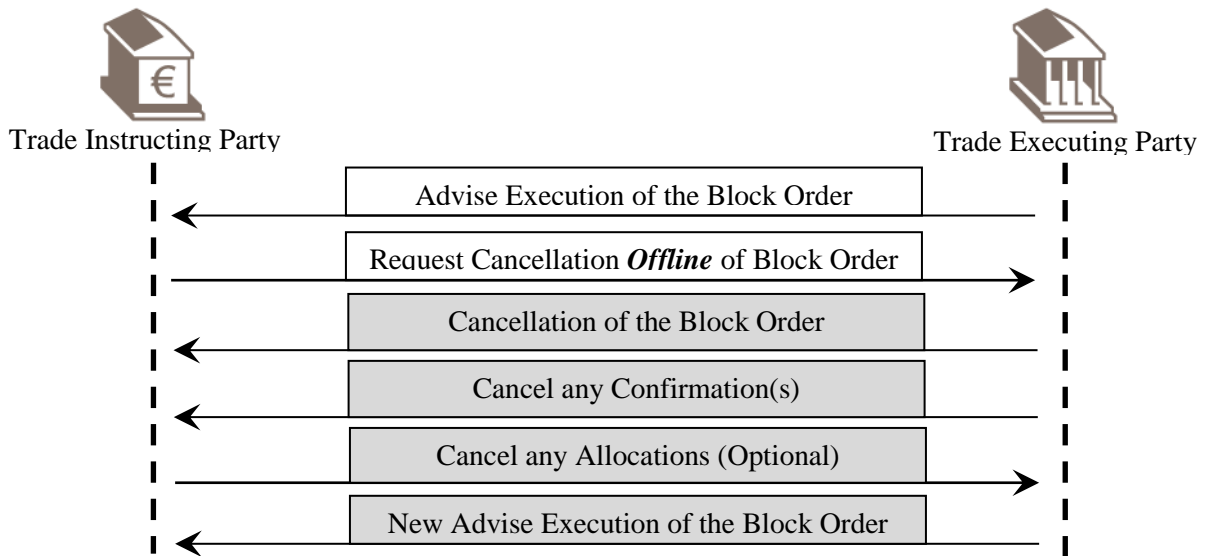
Cancel Allocation(s)

IMANXX21 MT 514 to BROKXX12	
:16R:GENL	
:20C::SEME//TTDEFA1123456500	**Message reference**
:23G:CANC	**An instruction status**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//GHIJKL0987654400	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::4!c//16x	**Message reference included in the original, for example COMM or TRRF or RELA**
:16S:LINK	
:16S:GENL	

Note that the remainder of the cancellation MT 514 is formatted in the same way as the original

New Advice of Execution of the Block Order

BROKXX12 MT 513 to IMANXX21

(R) **Block Level Cancellation Initiated by the Investment Manager**

Trade Instructing Party   Trade Executing Party

| Advise Execution of the Block Order |
| Request Cancellation *Offline* of Block Order |
| Cancellation of the Block Order |
| Cancel any Confirmation(s) |
| Cancel any Allocations (Optional) |
| New Advise Execution of the Block Order |

Request Cancellation *Offline* of the Block Order

Request cancellation of the block order *offline* from the sender of the Advise Execution of the Block Order.

Acceptance

Broker accepts cancellation request from Investment Manager.

Follows **Block Level Cancellation Initiated by Broker** message flow.

Rejection

Resolve offline and agree how the trade is to be handled.

(R) **Allocation and Confirmation Level Cancellation**

Cancellation of an Allocation

IMANXX21 MT 514 to BROKXX12	
:16R:GENL	
:20C::SEME//RRDEFA1123456555	**Message reference**
:23G:CANC	**Cancellation Message**
:22F::TRTR//TRAD	
:16R:LINK	
:20C::PREV//ABCDEF1234567891	**Message reference of message being cancelled**
:16S:LINK	
:16R:LINK	
:20C::COMM//BLK-CONF-001	**Executing Party's block reference**
:16S:LINK	
:16R:LINK	
:20C::TRRF//80117146007002	**Instructing Party's order reference**
:16S:LINK	

```
:16R:LINK
:20C::RELA//GHIJKL0987654322          Message reference of MT 513
:16S:LINK
:16S:GENL
```

Note that the remainder of the cancellation MT 514 is formatted in the same way as the original

Optionally accept or reject the cancellation request with MT 509

Cancellation Request Accepted - New Allocation Instruction

```
IMANXX21 MT 514 to BROKXX12
```

(R) **Cancellation of a Confirmation**

```
BROKXX12 MT 515 to IMANXX21
:16R:GENL
:20C::SEME//KLDEFA1123456222          Message reference
:23G:CANC                             Cancellation Message
:22F::TRTR//TRAD
:16R:LINK
:20C::PREV//GHIJKL0987654400    Message reference of message being
                                              cancelled
:16S:LINK
:16R:LINK
:20C::COMM//BLK-CONF-001        Executing Party's block reference
:16S:LINK
:16R:LINK
:20C::TRRF//80117146007002      Instructing Party's order reference
:16S:LINK
:16R:LINK
:20C::RELA//ABCDEF1234567891        Message reference of MT 514
                                    Instructing Party's allocation
                                            reference
:16S:LINK
:16S:GENL
```

Note that the remainder of the cancellation MT 515 is formatted in the same way as the original

Optionally accept or reject the cancellation request with MT 509

Cancellation Request Accepted - New Confirmation

```
BROKXX12 515 to IMANXX21MT
```

XVI. Previous Changes Archive

Changes to previous versions			
Version 0.1 March 2011	Type of change	Based on the previously published <*SWIFT_ISOmessages_AllocationProcessing_v1_02_(draft).docx*> from section 5 onwards	Page x
Version 0.2 May 2011	Type of change	Include Exception Items and bring sections I to IV into line. No functional change to sections V to VII.	Various pages
Version 0.3 May 2011	Type of change	Edits and introduction text added. No change to structure or content of technical sections	
Version 1.0 May 2011	Issued		
Version 1.1 July 2011		Updates from early adopters meeting 6th July 2011: • Introduction makes clear that compliance is achieved by implementing the requirements specified in this document. Enhancements to the practice may be implemented under bilateral agreement • Business Data Requirements - Broker's SSIs mandatory in the confirmation • ISO 15022 Illustrations - MT 514 and MT 515 correct fields 16R: and 16S: with code ORDRDET to CONFDET • ISO 15022 Illustrations - E2, Include a data source scheme and reason code for the case where the investor is not known to the broker in the MT 514 – replaces narrative; • Rules - Amend Cancellation Rules to Rules and include agreement that an IM will send allocations as close as possible together, that is once they are all ready to go; • Rules - Optional use of duplicate message and narrative following an MT 509 reject • Business Data Requirements and ISO 15022 Business Data Requirements - add optional narrative using 70E::TPRO, plus function of message, for clarity – new message, duplicate new message, cancellation to MT 513, 514, 515, new message for MT 517 and instruction or cancellation status to MT 509. Updates from early adopters meeting 12th July 2011: • Rules - A, in order to request a cancellation of the block, IMs will request a block cancel from the broker offline, and the broker will initiate the	

		cancellation by sending MT513 CANC. The paragraph explaining how to initiate a cancellation by sending MT514 CANC for all allocations has been removed.
		
		Updates from early adopters meeting 20th July 2011:
		
		• Business Data Requirements - add note that the Message Reference Guide is the baseline for message formats;
		• Business Data Requirements & ISO 15022 Illustrations - consistency amendments – add reference of message sent earlier, used in a cancellation, and reference of message for which a status is supplied
		• Rules - update the sections for:
		    o Cancellation, in particular block cancellation
		    o Allocation
		    o Block Status
		    o Disagreement with a rejection
		• ISO 15022 Illustrations - add illustrations for:
		    o Cancellation
		    o Cancellation status
		    o Block status
		    o Disagreement with rejection
		• Move the Rules section to before the ISO 15022 Illustrations
		• ISO 15022 Illustrations - E2, amend the rejection reasons to use REJT in preference to NMAT where possible
		• Itemise mandatory/optional for SSI fields	

V1.2 August 2011		Updates from early adopters feedback on v1.1 distributed 26th July 2011 • Introduction (I), add a sentence to confirm that the guide's scope extends to automated message exchange only; where scenarios (such as cancellation rejection) require some degree of offline interaction, that offline conversation is assumed • In Cancellation Rules, (now VIII B4) Cancellation Status, add 'The Cancellation Status - Rejection indicates that the electronic version of this trade has reached an unrecoverable position, and that it will be progressed offline' • In Rules (VIII) add a Rejection Rules section (A), before Cancellation Rules section, describing describes the implementation of rejection rules using ISO 15022 messages to give the status of an instruction as opposed to a cancellation request • In Rules (VIII now B3) Block Level	

		Cancellation 2 – Initiated by the Investment Manager, amend so that it is optional for the IM to cancel any sent MT 514allocations, giving consistency with block cancellation initiated by the broker • In Exceptions (X) Exception conditions relevant to IMs (A), add the alternative to an MT 509 of offline communication for the CMIS and MCAN reason codes. • Add clarification to Rejection Rules (VIII A) that the broker must cancel an MT 513 or MT 515 before resending. The IM is not required to cancel an MT 514 before resending • Clarification to Cancellation Status (VIII B4) that the sender of a cancel, to a party who has not implemented the cancellation status message, may assume the cancel has been accepted unless rejected off-line. • Add clarification to Exceptions (X) that the broker must cancel an MT 513 or MT 515 before resending. The IM is not required to cancel an MT 514 before resending, see "Allocation/s rejected by broker" / "Block Trade Rejected" / "Confirm Rejected	

V1.21
1st September 2011
	version not issued	• In V.B, V.C and V.D 'Narrative' renamed 'Rejection Disagreement Narrative'
		• In IX.F2 table add two reason codes for additional granularity –
		   ○ NMAT//CHAR 'Charges amount does not match' and amend scope of REJT//FEEE
		   ○ REJT//NCRR 'Unrecognised or invalid settlement amount currency' and amend scope of REJT//DMON
		• In IX.F2 table align reason code descriptions with the UHB
		• In IX.F2 table amend GETC/INVE description from
		'*Sent when the broker does not recognize the investor (their trade counterparty)*'
		to
		'*Sent when the broker does not recognize the investor*'	

V1.22 30th September 2011	version not issued	• In VIII.A add '*or 24B::NMAT*' to the first bullet as this qualifier + code is used for some rejection conditions • In VIII.B4 remove the option not to send an MT 509 in response to an MT 513 block advice cancellation request. This is now agreed to be mandatory by brokers and investment managers	

V1.23 30th September 2011		• In VIII B2 remove '*Note that an MT 513 cancellation will always be rejected if the block is fully affirmed*' as agreed by the group previously • In VIII B5 remove statement that MT509 cancellation status is optional • Reinstate VIII.B4 and in VIII.B5 clarify that the MT 509 cancellation request status may be sent: 'by an investment manager to a broker in response to an MT 513 CANC (**mandatory**) or an MT 515 CANC (**optional**)' and by a broker to an investment manager in response MT 514 CANC (**optional**). • In IX.G and throughout, for consistency, amend 'Cancellation status' to 'Cancellation Request status' and amend the cross referenced message to an MT 513 from an MT 515.	
V1.3 30th September 2011	Issued		
v1.31 & v1.32 22nd Feb 2012		• Typos • Clarification -in V E, VII and XI D include message type of the referenced message field (13A) with value '515' in affirmation MT 517 as this is a network validated rule. • Clarification - in V F include message type of the referenced message (13A) as optional. • Clarification - in V F and VII include Reason Narrative (70D) as optional (its use is referenced in IX F2). • Additional clarifications - include section XI <u>ISO 15022 Rejection and Cancellation Sequences and Illustrations</u> • Structural change to document - move previous changes to XII <u>Previous Changes Archive</u>	
V1.33 used at GETC forum on 1st March 2012		• Clarification - in all Cancellation illustrations IX.E and XI.B, ensure all original references are present.	
V1.34		• Add an annex, before the previous changes archive, for the treatment of optional fields and message flows. • In IX ISO 15022 Illustrations move the Cancellation Request Generic illustration to immediately precede the Cancellation Request Status	

V1.35		• Review comments on the annex for the treatment of optional fields and message flows	

V1.40
21st March 2012
	Issued	• In summary there is NO change to the functionality described in v1.30:
		  o Clarifications and additional illustrations;
		  o Addition of an annex describing the treatment of optional fields and message flows.	

v1.401-7		• Include a separate section, XIII to describe use of GETC with contract-only investment managers, and IMs who allocate by other means.
		• Rename the document Global ETC over SWIFT
		• Split the introduction into:
		  o business context – new,
		  o how does it work – new,
		  o key benefits – new,
		  o purpose and scope – existing.	

V1.50 21st August 2012	Issued	• In summary there is NO change to the functionality described in v1.40	
V1.51 2nd January 2013	ISSUED	• Add sub-section C to section XII for the German market practice on fund identification format. Rename section XII "Treatment of Optional Fields and Message Flows and Specific Markets" • In section XIII Confirmation Only update the diagram to show the MT 509 is one way, from IM to broker • Increase total block quantity in MT 514 example so that it is > than the allocated quantity, IX.B • Correction in Allocation example – settlement currency needs '0,' following the CCY code, XI.A2 • Correct location of end of General Sequence 16S:GENL in example MT 509s throughout	

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